Daily Report

Latin America

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Parlacen President Dies From Heart Attack

PA0607020594 Panama City ACAN in Spanish 1426 GMT 5 Jul 94

[Text] Guatemala City, 5 Jul (ACAN-EFE)—Jose Francisco Guerrero, president of the Central American Parliament [Parlacen], died from a heart attack in Guatemala City last night. A parliamentarian source has confirmed the information. A Reforma Funeral Parlor spokesperson said Guerrero's body will be flown to El Salvador today, but the family has not announced the time.

Guerrero, a member of the ruling Nationalist Republican Alliance, ARENA, assumed the post of Parlacen president in October when he replaced Honduran parliamentarian Ilse Diaz. Parlacen is headquartered in Guatemala City, and the organization consists of Salvadoran and Honduran parliamentarians.

[Panama City ACAN in Spanish at 1850 GMT on 5 July reports: "The remains of Parlacen President Jose Francisco Guerrero were sent to El Salvador today on board a Salvadoran Air Force plane."]

Antigua's Bird: 'No Definitive Decision' on Haitians

FL0607194594 Bridgetown Caribbean Broadcasting Union Television in English 2300 GMT 5 Jul 94

[From the "Summit '94" program]

[Text] The United States wants Antigua and Barbuda to begin processing Haitian refugees at U.S. bases in Antigua. The request has come three days after the U.S. closed its embassy in Antigua:

[Begin Antiguan Prime Minister Lester Bird recording] As a precondition to any discussion, there would have to be an acknowledgment that we would want the embassy reopened—albeit that it is closed—with all the visa rights going with it. But having said that, we have made no definitive decision on the matter. We'll discuss it because there are other considerations that they have indicated that would be beneficial to Antiguans and Barbudans. [end recording]

As soon as Mr. Bird gave us that comment, he conferred by telephone with President Clinton this morning, and the two leaders are agreed on the urgency of restoring democracy to Haiti. It is expected that the UN High Commission for Refugees will establish a temporary safehaven to process 2,000 Haitian refugees in Antigua and Barbuda.

[The same station adds later in the same broadcast that Commonwealth Secretary General Chief Emeka Anyaoku met Caribbean Common Market, Caricom, leaders on the Haitian crisis, noting that Anyaoku believes that "Caricom can play a key role as a lobby for Haiti's interests in the international community."]

Caricom, Union Leaders Discuss Human Rights, Trade

FL0607205894 Bridgetown Caribbean Broadcasting Union Television in English 2300 GMT 5 Jul 94

[From the "Summit '94" program; speakers identified by video captions]

[Text] On day two of the Caricom [Caribbean Common Market] summit here, in Barbados, representatives of the Caribbean Congress of Labor [CCL] and the Caribbean Association of Industry and Commerce [CAIC] had an audience with the Caricom leaders. Shawn Nicholas [Antiguan Broadcasting Service coorespondent] looks at some of the issues addressed:

[Begin recording] [Nicholas] The atmosphere between the heads of government and representatives of the two organizations were said to be quite warm and amicable during the meeting. In deliberation, some pertinent questions were raised by both sides. The organizations are asking for, among other things, improvement in their status and also an inclusion of a social clause as part of any present or future trade investment agreement.

[CCL Secretary Treasurer Kertist Augustus] The social clause that we are talking about is a recognition, as I stated, to tie the whole question of trade and investment to respect for human trade union rights. We want it tied to the question of the respect for the free collective bargaining process. We do not want to have the situation that we are negotiating trade and investment agreement with countries. We are...[pauses] They don't respect human and trade union rights.

[Nicholas] In its presentation, entitled "An Action Agenda for Securing a Viable Economic Future for the Caricom Community of Nations in the 1990s and Beyond," the CAIC proposes a two-part Caricom action agenda. According to Pat Thompson, Caricom must look internally and externally. The internal agenda includes addressing the problems of unemployment and underemployment, the declining levels of development assistance, and the establishment of a Caricom single market. On the external agenda, Mr. Thompson notes that the establishment of the Association of Caribbean States [ACS] would overcome a number of obstacles:

[CAIC Executive Director Pat Thompson] The potential of the ACS to intervene constructively on behalf of parts of the world like ours in international forum—World Bank, IMF, IDB [Inter-American Development Bank], GATT, WTO [World Trade Organization], all that—is potentially very good.

[Nicholas] Other items on the external agenda are finding ways to respond to the challenges posed by NAFTA and identifying ways in which the economic future can become competitive in the international markets. The concern has been raised, however, that the various recommendations that were made would not just

remain in document form but some level of implementation will take place. [end recording]

Approve Trade Agreement With Colombia

FL0607211794 Bridgetown Caribbean Broadcasting Union Television in English 2300 GMT 5 Jul 94

[From the "Summit '94" program]

[Text] At the beginning of next year, trade between Caricom [Caribbean Common Market] countries and Colombia is likely to increase significantly. This follows yesterday's approval of a major agreement by Caricom heads of government:

[Begin recording] [Robert Royer, Jamaica Broadcasting Corporation correspondent] The Caricom-Colombia agreement is based on trade, economic, and technical cooperation. It will provide duty-free treatment for a selected number of exports into Caribbean markets and open opportunity in Jamaica for some agroindustrial products and a range of manufactured goods. Jamaica's minister of foreign affairs and foreign trade, Dr. Paul Robertson, sees the agreement as a significant breakthrough for Caricom.

[Robertson] This gives us a good opportunity to get our competitiveness up, and then we will negotiate with them after about three years, and, at that stage, there may be some two-way competition, but that's to come.

[Royer] What sort of goods we talking about initially?

[Robertson] Well, anything that we produce. There's a long list of things that we'll be able to get in to the Colombian market.

[Royer] Various elements of the agreement are expected to be implemented during succeeding years. By the end of the fourth year, Jamaica, Barbados, Guyana, and Trinidad and Tobago are expected to remove tariffs on a selected list of noncompeting Colombian exports.

Caricom's deputy secretary general, Dr. Kenneth Hall, says there are stipulations in the agreement to protect the lesser-developed Caricom countries.

[Hall] Another principle—and in broad terms—in it is that the LDC's [lesser developed countries] will never have to give any reciprocity—that is, at the end of this free trade period, the MDC's [more developed countries] will be required to discuss and will be expected to discuss reciprocity. That will not happen for the LDC's. So, in a sense, it has preserved, on a long-term basis, the basic structure of the Common Market regime.

[Royer] The Caricom heads only approved the agreement. It's expected to be signed at an early date and is likely to become effective on 1 January 1995. [end recording]

Meet With Commonwealth Chief

FL0607213194 Bridgetown Caribbean Broadcasting Union Television in English 2300 GMT 5 Jul 94

[From the "Summit '94" program]

[Text] Commonwealth Secretary General Chief Emeka Anyaoku has held talks with Caricom [Caribbean Common Market] leaders in Barbados on issues concerning the situation in South Africa. His talks with regional leaders come as the United Nations and the Commonwealth prepare for a meeting to discuss how they can help the new South African Government further:

[Begin Anyaoku recording] And this will be a meeting that will aim to mobilize international support to help bridge the great gaps in terms of human resource and skills development that were left by apartheid policy in South Africa. For example, I mean, until three years ago, you might not have known, that throughout South Africa there was not a single black mining engineer. This is a country that makes a great deal of its fortune from the gold mines and other mines. In terms of (?chartered) accountants, very few of them are from the nonwhite population. [end recording]

Chief Anyaoku says he's particularly interested in locating people from this region who can help South Africa's black community get on its feet:

[Begin Anyaoku recording] Well, there are many-...[pauses] I think that human resource development in the Caribbean is a very impressive one. There are many professionals in the Caribbean in various aspects of government and the private sector. And I would hope to tap these sources for contributing to meeting the needs in South Africa. [end recording]

Discuss Banana Industry, GATT Report

FL0607222594 Bridgetown Caribbean Broadcasting Union Television in English 2300 GMT 5 Jul 94

[From the "Summit '94" program]

[Text] One of the items down to discussion at this 15th summit is the state of the banana industry in Caricom member-countries. Sharon Marshall looks at what progress Caricom leaders are making in their negotiations with the markets that buy all bananas:

[Begin recording] [Marshall] The banana industry is the economic lifeblood of the four Windward Islands—Dominica, Grenada, St. Lucia, and St. Vincent—while Jamaica and Belize have sizeable banana industries, too. So, it's likely to figure in any Caricom discussion on economic performance.

[Caricom Assistant Secretary General Byron Blake, identified by video caption] When the heads met last year in Nassau, in fact, they were faced with the fact that you had...[pauses] The first GATT panel report had just been presented, and the report was esssentially arguing against

the regime then being implemented by the individual EC member-states. And there was a challenge to the regime which had been put in on 1 July by the Community itself.

One of the decisions which they had took was that we will take a regional position on that report which had come out in the GATT, that member-states would attend the GATT meeting and would ensure that that report was not accepted. In fact, (?we have heard) that the second final report has come on stream, and we have been able to not only hold a strong Caribbean line but we have been able to hold a strong ACP [African, Caribbean, and Pacific countries] line to ensure that those, (?none) of those final reports have been accepted, adopted by the GATT.

The banana issue is one where the fight, the battle is not yet over, but certainly at least for the last year (?we) have been able to ensure that it did not have the adoption of those final reports, I doubt, which, will, in fact, have destroyed the market in Europe.

[Marshall] It's an issue that Caricom leaders are taking up in their negotiations with the EC on the Lome Convention. They'll be pressing to have some changes made to the banana regime.

[Blake] We've been trying to get the Europeans to agree that in the arrangements which (?allow) for the internal marketing of bananas in Europe, that the ACP countries should be able to reallocate the shortfall the more they could among ACP countries, and, secondly, that support for developing the banana industry—in the present situation, at that—should be seen as an important aspect of the convention. So, we're hoping to get...

[Marshall, interrupting] It's an industry on which whole families depend for their livelihood. Any success or failure on the part of Caricom leaders will certainly affect the lives of ordinary citizens. [end recording]

Chile Asks Argentina To Extend Preferential Tariff

PY0607161794 Santiago EL MERCURIO in Spanish 28 Jun 94 p B2

[Text] Chile has asked Argentina to extend the preferential tariff rates it has assigned to Chilean products within the framework of Aladi [Latin American Integration Association] until 1995. In accordance with provisions of the Mercosur [Common Market of the South] treaty, the above benefits will expire on 31 December 1994.

The announcement was made in a news conference by Foreign Ministry Under Secretary Jose Miguel Insulza and Economy Under Secretary Carlos Mladinic, who headed the Chilean delegation to the eighth regular meeting concerning the agreement on economic complementation signed by the two countries in 1991.

Insulza said his Argentine counterparts did not want to discuss any extension until Mercosur, which also consists of Brazil, Paraguay, and Argentina, defines its common external tariff and its negotiating policy with other Aladi member countries. These issues are expected to be resolved in the next Mercosur meeting scheduled for 14 July.

Argentina has granted preferential tariff rates to 60 percent of Chilean exports to Argentina, while Chile has reduced import tariffs to only 35 percent of its imports from Argentina.

Insulza reported that, should negotiations with third countries take longer than expected, Argentina has given assurances that in no case will the preferential tariff rates be less advantageous than the current ones.

Insulza said: "We have received assurances that, if negotiations are delayed, Chilean exporters will not be hurt and they will at least have conditions similar to those prevailing now."

As is known, Chile has proposed joining Mercosur as an asssociate member. This entails signing an economic complementation agreement with Mercosur and bilateral trade agreements on a list of products with each Mercosur member country. The formula is designed to establish a free trade zone in 10 years.

In this regard, Insulza stated it would be ideal if the Mercosur common external tariff were established before 31 December and the Chile-Mercosur agreement were also negotiated by then.

It has been reported that Mercosur will have 11 different ranges of tariffs, which will fluctuate between 0 and 20 percent, including some products that will be subject to a maximum tariff of 35 percent.

Mladinic reported that Chilean-Argentine trade totaled $406 million from January to April this year. This figure is $58 million higher than that for the same period in 1993.

Mladinic said Argentina had a trade surplus of $35 million with Chile during the above period. Argentine exports totaled $220.8 million, while Chilean exports totaled $185.6 million. In 1993, trade between the two countries stood at $1.169 billion. Argentine exports totaled $580.8 million, while Chilean exports totaled $586.9 million. Mladinic said Argentina has had a trade surplus this year because of its oil exports to Chile.

Chilean exports to Argentina have consisted primarily of copper cathodes, refined copper, and gear boxes for motor vehicles.

Cuba

Castro Addresses Family Doctor Congress

FL0607121794 Havana Cuba Vision Network in Spanish 0116 GMT 2 Jul 94

[Address by President Fidel Castro at the closing session of the National Family Doctor Congress at the Convention Palace in Havana on 30 June—recorded]

[Text] Comrades, I will be brief because I have not had the opportunity to participate in the other congress sessions, so I do not come to deliver conclusions. Instead, I will essentially have the great pleasure of meeting with you for a few minutes, saluting you, and congratulating you. I do not think any other health plan or program was ever developed so fully and so quickly, nor has it yielded so many results, as this family doctor idea and program. During this congress, you have commemorated the 10th anniversary of the creation of this movement. How easy it seems, or would seem, to talk about the importance of the program of the family doctor, and nurse—you have correctly included them.

It seems like yesterday when the first steps were taken. I was touched when the diplomas and stamps were given out because I remembered the days when the first 10 doctors began at the Lawton Polyclinic, and when the first doctors began... [pauses] they were also doctors but were not directly in charge of the population. Instead, they studied the program that had been prepared. They studied and trained as family doctors at the polyclinics. There were two small groups—I recall one was here in Havana and another one in Sancti Spiritus. It was not a single group; it was two groups, it was two groups. [repeats] Where? [unidentified woman states in the background: "It was in Fomento."] Fomento. Well, we began in two places.

I remember when we began the experiment with the doctors in the mountains because we conducted tests before going full steam ahead with this program. We wanted to test it; we wanted to see what happened. Therefore, we met constantly with the 10 doctors, and we asked them to tell us what happened, what was happening, how much confidence people had in them. We asked if they were treated with consideration, if they were appreciated—or whether the people went to the polyclinic and the hospital. Based on the work carried out by those 10 doctors, we were able to see the population had welcomed them with enormous interest.

The families provided a small room or a garage. I even remember the case of a mother who had forbidden anyone to enter her son's room after he died. She said: I will give the room up for this. The family doctor was installed there because he had no facilities. It was obvious from the beginning that the people welcomed the family doctor with confidence. They no longer went to the polyclinic. In fact, one of the serious problems we had at the time was that no one trusted the polyclinics. They knew that the personnel with more experience—meaning the professors—were at the hospitals. Hospital outpatient clinics were crowded. Based on that experience, we saw that instead of going to the polyclinic, people went to visit the family doctors. They did not go straight to the hospital—not by any means. This was one of the first results we could determine.

I remember other cases. Patients scheduled to see specialists later went to the family doctors, the first family doctors, to talk with them and ask if they considered what the specialist had recommended as correct. That was evident from the beginning. The experience acquired in the mountains was also important for reasons I explained a few minutes ago. Everything is more difficult over there due to the [lack of] communication and [rough] topography. It was necessary to change many things and many concepts.

We do not exaggerate when we say that the family doctor program was like a revolution in the country's health system. It revolutionized the country's health system. It changed everything; and it will continue to change everything in the future. However, it was necessary to struggle against many ideas and prejudices; concepts had to be modified, changed completely, so this program could move ahead. It was like... [pauses] at the time, the program was like a two- or three-week-old child at its mother's bosom—not even two or three weeks, just one week. It had to grow.

First of all, we had to find doctors who were capable of doing that job. It was a completely new job; it was different from the usual thing, the traditional thing. Many people did not think this was possible—above all, many doctors. Let us say that most of the medical faculty professors did not think this was possible. It was necessary to create a new program. Fortunately, this coincided with a time when many people had a bachelor's degree, to the extent that large-scale enrollment was possible, because the program demanded a large-scale formation of doctors; and a large-scale formation required quality selection, new programs. I see here the faces of some professors who helped us a great deal in developing those ideas, preparing the programs; and the programs had to be tested.

The students themselves did not fully agree with the program. Most of the students did not agree with the family doctor program. I repeat: It was necessary to struggle against many obstacles so the idea could progress. It was necessary to solve the issue of facilities, and we began installing family doctors in small offices. The first ones, like I said, worked in private homes and garages; we later built better facilities. Then we discussed the issue of providing housing for the family doctor. Once it was proven that the idea was good, once the necessary steps had been taken to develop it, we had to solve many other problems. The first one was the housing issue... [pauses] the family doctor's office and house. Then we remembered the nurses. This now involved the doctor's office and house, and the nurse's house.

We could do many things back then with the resources we had in the country. Along with the family doctor program, which we calculated would involve 20,000 doctors directly attending the population, we developed the program to build clinics and houses for 20,000 doctors and 20,000 nurses. The program called for the construction of 40,000 houses. They were being built, like many other things in the country, a great many things, before the catastrophe occurred abroad and led us to the special period. Let me tell you, I truly regretted what happened, not only because this affected the country and the people in numerous ways, but because it would affect our health programs. You know we were carrying out health programs, school programs—they were being inaugurated by the dozen—polyclinics, daycare centers, all kinds of schools. We were already thinking about refurbishing old schools and building new ones. No one can imagine the number of ambitious programs that were being implemented by the Revolution.

I think the family doctor program is an example of this, of what can be done with a revolution and a fair social system, of what can be done with socialism. Other countries have not done it; nor have they done anything that resembles this, although the idea of a family doctor program, the system is being discussed throughout the world. I wonder what is going to happen to the program and to many other things. There are many material things—lots of plans for dams, irrigation systems, engineering projects, agricultural plans, housing plans, a great many things. How can you [implement those plans] without essential resources—fuel, materials, cement, steel—all the things you need for construction? They cannot be carried out with good will alone.

The family doctor program was of a human nature. The essential thing was man. When the special period began, the program already had 8,000 or 9,000 doctors... [pauses] between 8,000 and 10,000 doctors. The program was halfway down the road. We must say it is an extraordinary thing that, despite special period conditions, we were able not only to continue with, but also to develop the family doctor program. The students were in the universities—being trained by the thousands—and the program could not be stopped. The universities have not stopped either. Everything that depends on man can continue, even under the difficult conditions we now face. [A brief, high-pitched tone is heard in the background] What is that sound? What can it be? [smiles] Perhaps someone has a cellular telephone, or a doctor is being urgently paged. [laughter]

I was saying that the students were in the universities. We said: Let us continue the program based on what we have done so far; and if we again have to return to a room in a person's house, and if we again have to return to the garage, we will return to the room and we will return to the garage—but the family doctor program cannot be stopped. Many ideas were submitted... [pauses] it must be said that many things have come up, many ideas have been submitted throughout this time. The program has been fruitful because it has resulted in many intiatives from the people. It was proven here, among many things, that there was a lot of hope when the program was conceived, and there was a great deal of certitude about its importance.

The program has amply surpassed our initial expectations because the doctors brought new ideas. For example, this led to the homecare issue; this led to initiatives regarding factories—dealing with the people's safety, health, and accident risks—and day care centers. The issue of medical specialties was also brought up. The specialty issue was part of the family doctor concept. Other initiatives were also discussed but they are too many to enumerate. For example, the one about-....[pauses] when the special period began someone suggested sharing the existing medical facilities, some of the doctors' offices. That helped a lot.

Even today we continue to build outpatient clinics and houses, the so-called low income houses, although not in the main cities, the capital. We are still trying to solve the problem, and one day we will undoubtedly be able to continue the program for the construction of family doctor clinics and houses, slowly but surely. We had advanced so much in this program that a contest was held among architects to design not just one model, but 12 models of houses for the family doctor. There were prototypes of the houses in Diez de Octubre Municipality. They were what you might call luxury models for the construction of family doctor and nurse houses. We had advanced, it was being accomplished, and we would have continued if the socialist bloc catastrophe had occurred four or five years later—let us say six years later; if it had not occurred when it did, when all of our programs were at their peak. This left us without markets, essential raw materials, fuel, large quantities of food, raw materials to produce food, spare parts, steel, and lumber.

If this had happened a few years later, many of our most promising social and economic programs would have been completed; and we would have completely finished the family doctor program [chuckles] in a few years. Despite the bitterness provoked by the interruption of many things within this program and others, we can at least say that such a movement, with its 22,000 family doctors and nurses, is now a source of satisfaction and true pride because it represents a feat accomplished through our efforts and determination. We have 22,000 doctors, and I imagine we also have 22,000 nurses working with those doctors.

I truly believe, without exaggerating, that our people achieved an extraordinary feat by being able to continue developing this program during the most difficult years of the special period. In my opinion, it seems that this program was designed for a special period. What would the condition of our public health and our people's medical care be today without those 22,000 doctors and 22,000 nurses who render their services in this program, not only in towns, but also in factories, schools, and polyclinics despite all the problems we have in the transportation sector as stated here; the problems with

ambulances and medicine; and all kinds of problems? How could this level of medical care have been maintained without the family doctor and nurse program? There have been many brilliant ideas and solutions to these difficult circumstances aimed toward improving transportation and the problems with medicines.

The current medicine distribution program was mentioned here because there has obviously been so much speculation over medicine purchases. This resulted in certain situations—for example, if two... [pauses] any amount of aspirin that arrived would last only a few days because of the excess currency in circulation and the activities of unscrupulous people who bought whatever medicine they could on the open market. There was no way to prevent this—a whole shipload of aspirin would last only a few days. It was expedient and possible to do this within our system because of the Health Ministry's organization and family doctors' cooperation.

The idea of using traditional medicine, or herbal medicine as you call it, meaning plants, was also mentioned. We must develop all this, but those 22,000 outpatient facilities have been decisive in endorsing this type of medicine. Today we must resort to all these methods. If we remember our forefathers and the war of independence; if we remember the times of [Maximo] Gomez, [Ignacio] Agramonte, [Carlos Manuel de] Cespedes, [Antonio] Maceo, we will realize they had absolutely nothing. They cured people—and they had many people to cure—although they did not have the resources, the doctors, or the talents we have today. They solved many health problems with available natural resources. The situation is not exactly like that, but it somehow reminds us of it. We have been compelled to consider all the possibilities. A great effort is truly being exerted, I assure you, in the constant struggle to acquire or manufacture the necessary medicine and to distribute it in a more rational, equitable way.

We are also striving to acquire some of the components that have rendered ambulances inoperable. A comrade outlined the situation he faced. I think it involved batteries and tires. Comrade Teja explained that we would get a number of batteries and tires within three months to repair the ambulances. All of you who work with the rank and file know how difficult these hours, days, months, and years have been for us. You know how difficult the circumstances are. No one knows it better than you because you are there, waging that battle for the people's health, life. We must bear in mind an important thing, a very important thing. I have not seen you lose heart, regardless of the problems. I have observed during the hours I have spent here that morale is high among family doctors and nurses; it is a level of morale needed in these times.

I believe it is fair to call this an historic congress given the successes achieved, the experience acquired, and the circumstances and time in which the congress takes place. I am sure these years will be remembered as one of the most glorious pages in the history of Cuban medicine. The fact that we have reduced the infant mortality rate to nine... [pauses] to less than 10 [per 1,000] in 1993 is truly a great feat. I thought the goal was impossible, to reduce this figure to less than 10 during one of the hardest years of the special period. I wonder if this would have been possible without the family doctors' work. How could we have maintained the general health indexes, how could this have been possible without the family doctor's work—the doctor and the nurse? But I am not going to constantly repeat this because I will run out of time. How would this have been possible without your work? We can say that no Third World country, or even First World country, can offer what we have in the health care sector during these difficult years.

We must bear in mind that the idea of a family doctor and nurse became generalized in Cuba and it has also become essential in many countries; it is expanding to other countries. Political leaders from important countries in this hemisphere talk about expanding [smiles] the Cuban family doctors' experience throughout their country. No one who talks about public health fails to mention this experience, even those who have achieved sophisticated levels in some areas of medicine. When they talk about medicine with a social character, when they talk about the ideal medicine or the ideal medical system, they talk about the Cuban medical system—and they talk about the basic medical assistance we provide in our country. Cuba has become a model for this. Not only Third World countries, but developed countries as well talk about our medical system. Many developed countries are now discovering the defects in their own health systems.

During recess, a comrade told me that one of the best universities in the world—I believe it is in the United States—talked about the need to change its methods, style, and system for the training of doctors because, it claimed, doctors came in contact with or had experience with only 1 percent of the problems they later encountered. This is a mark of respect for our concept of the general practitioner; a concept that, as I previously said, emerged as the idea was implemented.

When we were ready to prepare the new program, we sent commissions of university professors to the most advanced countries to tap the best of their experience. In the future...[pauses to chuckle] they will have to come here, to our universities and to Cuba, and tap the best of our experience. However, it is fitting to ask: Would programs like this be possible within a capitalist system? Are concepts like this possible in a neoliberal economy? Can a system like this be implemented outside socialism? How? We are happy and satisfied that many want to tap at least a smidgen of our experience and take it to their countries. However, it is impossible to implement a system like the one Cuba has today in a capitalist society. It is absolutely impossible. That is what we mean when we say we must save the independence of the revolution and the achievements of socialism in these extremely difficult times.

We are not talking about continuing with the construction of socialism or being involved in a construction phase, amid the enormous problems which currently prevail and which will take us time to overcome. We can continue with things like this. We must defend by all means what we have achieved because programs like this one, like the health program, and like many other programs would be impossible under other conditions. We are doing things that are unavoidable in this special period we face. We have to introduce elements in the economy; we have to introduce formulas that allow us to face the current circumstances.

Yes, I know that the special period, the measures adopted in the special period, and the measures we have to adopt to perfect the efficiency of our economy—a result of the reality which prevails in the world—introduce elements of selfishness and elements of individualism. They introduce some of the elements of capitalism. You know this. Even though it hurts, examples like the one you set irrefutably show that—despite the special period's conditions; despite the economic changes we must make; despite the mechanisms, procedures, and organizations we have to enforce—society can maintain an extremely high dose of generosity, an extremely high dose of morals, and an extremely high dose of solidarity. That is why I sincerely think we must never, ever let elements of capitalism be introduced into our health system, our education system, or into many other things. [applause]

Private medicine did not disappear in Cuba as a result of a law. It was an initiative adopted by the medical students, an agreement reached by the medical students, and this became a tradition in our medical sector. I sincerely believe and am firmly convinced that we should never allow the introduction of private medical practice in Cuba or the polyclinics, hospitals, or any of those institutions because it would be incompatible. It would be the introduction of the capitalist elements we just mentioned. There are two sacred things, two sacred achievements that should be maintained at all costs and under any circumstances, just as we developed and created them, namely the right to health and to education.

Socialism was subject to much criticism, yet capitalist countries, which are far from solving their problems and which have tremendous and unsolvable problems, have never been able to adequately solve the public health and education problem like we have. Now everyone recognizes our people's education and preparation levels. In fact, many of the people who make investments that are necessary, that are essential, under the current circumstances comment on our people's education levels and our workers' education levels. That is why I address you—who are having that experience, who are experiencing this situation—with such clarity and frankness. There is something that should be engraved in the hearts and minds of all our doctors, nurses, and health personnel: We must never allow the destruction of things we have created, like this; we must never allow the prostitution of things we have created, like this; and we will see what the world does to solve its problems, how it manages to establish this health system.

It is known that whenever someone wants to achieve some progress in the medical sector, the first thing which occurs is a tremendous conflict with private medical practice. Veritable rebellions occur, and we have acquired some experience in recent years regarding progressive ministers who tried to implement certain reforms but were unable to because they found that doctors in highly developed countries, where medicine has achieved tremendous fame, have various public hospital rooms for their private patients. For example, when someone needs some kind of surgery, he must wait, sometimes three or four months, because the doctor's private patient has priority. I am convinced that a program like the one we have the privilege of enjoying cannot be implemented without an overall social change. It is impossible. That is why [words indistinct] people have adopted such an heroic attitude to struggle, resist as long as necessary, and to protect our achievements.

We see many examples—it is obvious given our current situation—of those whose morale fails, who incur acts of selfishness, who incur certain misdemeanors. We are all sorry to see this, but we also feel encouraged to see what has been seen here, what has been discussed here, and to hear words like the ones we have heard here. We must bear in mind the example of comrades who admirably fulfill their duty in the mountains, factories, and cities despite all kinds of difficulties. The family doctor and nurse have been called many things. The phrase guardians of the people's health has almost been coined for them, and that is how they were visualized. I think Manolo recalled that this was discussed in 1981. Above all, we said there would be no surplus of doctors, because there could never be a surplus of doctors. We could have a doctor in each factory, in each school. This was back in 1981.

In other words, we began to develop these ideas in the early 1980s, along with many other ideas in the medical sector. I have not reviewed them like they were reviewed here. Today we have an incredible situation. We will have a large number of doctors—they are about to graduate, they are already in the universities—and registration has been reduced. International circumstances have also...[pauses] It was always calculated that about 10,000 Cuban doctors would be cooperating abroad by 2000, but there were other ideas—for example, the reserve of doctors. I talked with Pinon and other comrades and told them we should start thinking about what we will do with...[pauses] What we will do when we have covered all the family doctor positions. We thought there should a reserve of doctors who would devote their time to research while others take their place, meaning the so-called...[pauses] At the time, there was talk about the...[pauses] What is it called? [unidentified speaker says: "The sabbatical year."] The sabbatical year. We will invent a way of doing it because we must obviously bear two things in mind. We have several thousand students in the university; registration, which was 6,000

at a given time—just imagine the momentum this program gathered—is now limited to 2,500, and we will have to make do to optimize the use of those human resources in the medical sector. I am sure solutions will be found despite the special period's conditions.

I calculate that the number of family doctors—including those in the schools, day care centers, factories, the reserve, everything else—will always...[pauses to laugh] I remember one of the problems we had at the beginning. Many of the family doctors were women in the so-called fertile age so the number of pregnant women was relatively high—there are still some who received their stamp and diploma with a guest that is about to enter the world [laughter]—so it was necessary to create the reserve of doctors at the hospitals in case of sickness, maternity leave, and other absences. We always found solutions, and we must not be afraid of recently graduated doctors. Many times we have thought: Would it be correct to reduce registration even more? I think it would be dangerous to reduce the registration even more than we have done. We will have graduations of 3,000 and 4,000 students. At least two big graduations are still pending, and I think all the positions will be filled in two or three more years.

I am not up to date on the number of students who have graduated as general practitioners but...[pauses] How many? [unidentified speaker says: "5,400."] 5,400. That is a fabulous breakthrough, too. The other thing I wanted to say is that, as a rule, doctors never retire. [National Council of Scientific Societies President Jose] Jordan, I am not thinking about anything [laughter] because we would not let you retire under any circumstances but minutes ago you were telling me that you have celebrated your 50th year as a...[Jordan prompts: "A doctor."] as a doctor, and next year you will celebrate your 50th year as a professor at the medicine faculty. There is a good example. [applause]

The longer it is, the more experience and knowledge you have. There may be some areas where the task becomes difficult, but a vast majority of the doctors, particularly general practitioners, render their services for many years.

You cannot make calculations like you do with other professions or other activities, where you work for 30 or 35 years, although the world tendency is to increase because the tendency is to increase the people's life expectancy, but these factors must be taken into consideration. Which one of these people will retire? It will be difficult to tell. All this complicates the calculations concerning graduates, number of years in service, etc. However, it is better to have an abundance of doctors than a problem resulting from the lack of doctors, like we did once—3,000 doctors remained and we now have 51,000 doctors. Will it take us three years to have 60,000 doctors? Calculations called for the formation of 70,000 doctors, and see how much progress we have achieved. Like I said, the figure included 10,000 abroad and 10,000 doctors as a reserve.

I think those human resources must be protected like gold. They cannot be lost, but we must find the most intelligent way to use those human resources. The number of graduates will decrease, but in 2000 we will...[pauses] We will have more than 70,000 doctors in 2000. There is no doubt about this. What we must do now is use our imagination and intelligence to prepare plans. Of course, as time goes by, our conditions will improve. Let us not forget we are doing this when the socialist bloc, meaning the USSR, has completely disappeared; when we practically have no economic relations with those countries; and when the blockade is more rigorous than ever, when it is more difficult than ever, when it is more merciless. Yet we continue to struggle and I ask you: Did we or did we not do the right thing by resisting and struggling? I ask you. [people answer: "Yes."] Did we or did we not do the right thing when we adopted the decision to defend the homeland, the revolution, and the achievements of socialism at any price? [people answer: "Yes."]

We are doing this under difficult, harsh conditions. We are doing this under truly heroic conditions. We are not to be blamed for the catastrophes that others suffered in the world. We have fulfilled our duty and we have resisted for years, but you are there in the thick of things, in direct contact with our people. You must be not only guardians of the people's physical health but also guardians of the people's moral health, guardians of the people's patriotic spirit. You are there, on the front line of the struggle. You are the standard-bearers of the noblest cause. Give security to each citizen; give tranquility to each father, mother, son, and relative; give the most important comfort to a human being, meaning health; end suffering and pain. Is there a nobler and more human task for a human being? A human being's state of mind and moral health are also part of his comfort and must be supported, too. If any of you feel despair prescribe something for yourselves because you are the first ones who should maintain a high morale among the neighbors.

The revolution expects to have a veritable army not only dealing with health but also our people's best qualities, virtues, spirit, morals, generosity, and spirit of solidarity. Therefore, comrades, I congratulate you on the occasion of the congress, on the occasion of the 10th anniversary, due to the success achieved throughout 10 years, and I tell you that we feel unlimited confidence, infinite confidence in you. The family doctors and nurses will be in the forefront when the history of these heroic and glorious years is written. Socialism or death. Homeland or death. We will win! [applause]

Legal Proceedings Commence in 327 'Moneybags' Cases

FL0707002794 Havana Radio Reloj Network in Spanish 1943 GMT 6 Jul 94

[Text] Cuban Attorney General Juan Escalona advised that legal proceedings have commenced against 327

people who, without legitimate cause, have increased their assets. These people are commonly called moneybags. Escalona pointed out that these cases are in compliance with Decree Law 149 and that as a consequence, 290 cars, 229 houses, nine boats, 79 trucks, 54 tractors, 76 motorcycles, 5.5 million pesos, over $1,112,000, and a collection of porcelain valued at over $77,000 were confiscated as a preventive measure. Escalona stressed that Decree Law 149 is an effective and permanent instrument for the defense of the Revolution against those who profit by ill-gotten wealth.

Israeli Sports Official Arrives in Havana

94P20944A

[Editorial Report] Havana TRABAJADORES in Spanish of 6 June on page 12 reports that Israeli sports official Yitzhaq Ben-Melekh was received by National Institute for Sports, Physical Education, and Recreation Director Conrado Martinez Corona upon his arrival in Havana. According to the article, the two planned to discuss expanding ties between Cuba and Israel in the area of sports "by exchanging personalities, athletes, and directors." Ben-Melekh explained that the president of Israel's Olympic Committee would visit Havana in a few days.

Haiti

United States Closes Doors to Haitian Refugees

FL0607230594 Port-au-Prince Radio Metropole in French 1045 GMT 6 Jul 94

[Excerpts] The Haitian boat people drama produced a record number of refugees on 4 July when a total of 3,247 boat people were intercepted at sea by the U.S. Coast Guard. According to the U.S. Embassy in Port-au-Prince, this was the highest number since 1981. The refugees intercepted at sea were aboard 70 small boats, which were attempting to travel to Florida. In the face of this increasing surge of boat people, the U.S. Administration decided to no longer consider the cases of political refugees. From now on, all Haitians intercepted at sea will be conducted to refugee camps. This latest decision was announced on 5 July by the person in charge of the Haitian dossier, William Gray. Rothschild Francois has more details:

[Begin recording] [Francois] The doors of the United States will henceforth be closed to Haitian boat people rescued at sea by the U.S. Coast Guard, even if they are considered political refugees, President Clinton's special adviser to Haiti, William Gray, announced on 5 July. Thus, only Haitians who are granted refugee status by the U.S. Embassy in Port-au-Prince will be admitted to U.S. territory. Boat people who need protection for political reasons, however, may possibly be accepted in the refugee camps. The first camp of this kind, with a capacity of 10,000, will be in Panama. The United States reached an agreement with Panama for a six-month period. An agreement of principle has essentially also been reached with Dominica, Antigua, and Barbuda, according to William Gray. [passage omitted]

President Clinton's adviser explained that Haitians who are admitted to those places of asylum, those safe havens [previous two words in English] will be repatriated to Haiti as soon as the crisis is resolved. In announcing this dissuasion measure on Tuesday at the White House, William Gray asked Haitians not to take to the sea at the risk of their lives. [passage omitted]

William Gray also announced that the center for refugees in the Turks and Caicos Island will be in operation by next week. [passage omitted]

The special envoy pointed out that Washington expects other countries to join the United States in this effort. It is a regional problem, not the problem of the United States, adds Gray. The U.S. special envoy also denounced the deterioration of the situation in Haiti and mentioned several cases of violations of human rights there. Questioned on a possible invasion of Haiti, Gray answered:

[Gray, in English] Our response is that there is no military invasion imminent. However, the military option is on the table. Imminent is defined as something that is going to happen within a few days. That is not the case. However, we are looking at that situation as it deteriorates. The president made it very clear and I have made it very clear, as his spokesperson, that the military option is on the table.

[Francois] Regarding the possible position of President-in-Exile Aristide: In light of this new U.S. policy on refugees, the U.S. envoy noted that the president-in-exile could not be contacted to be informed of the new U.S. measures regarding Haitian boat people, but explains that he would be surprised if President-in-Exile Aristide did not ratify them. [end recording]

UN/OAS Mission Temporarily Suspends Operations

PA0707005194 Madrid EFE in Spanish 2229 GMT 6 Jul 94

[By Herold Jean-Francois]

[Excerpt] Port-au-Prince, 6 Jul (EFE)—Today, the UN and OAS Civilian Mission in Haiti announced it is temporarily suspending its activities on the island. The organization said its decision is based on the fact that the "de facto" government, headed by Judge Emile Jonassaint, announced that the mission's presence in the country is "illegal."

In a press release issued today, the mission stated that the Foreign Ministry advised on Tuesday that the "de facto" government feels that mission employees are working under unusual conditions. The communique adds that, with this excuse, the mission was asked to "suspend all of its activities in the Republic of Haiti." [passage omitted]

U.S. Sanctions Disrupt Pharmaceutical Distribution

FL0607174394 Port-au-Prince Radio Metropole in French 1500 GMT 6 Jul 94

[Text] The latest U.S. sanctions are disrupting the distribution of pharmaceuticals in Haiti. The freeze on financial transactions between the United States and Haiti makes it virtually impossible for pharmaceutical companies to place orders overseas. Bernard Craan, president of the Association of Pharmaceutical Distributors, said that the suspension of commercial flights has made the situation worse.

Aristide Attorney Plans Legal Action on U.S. Policy

FL0607173994 Port-au-Prince Radio Metropole in French 1500 GMT 6 Jul 94

[Text] President Aristide's entourage protests: The president-in-exile's entourage has criticized the U-turn in U.S. policy, following the U.S. decision to stem the tide of Haitian boat people by redirecting them elsewhere. Michael Barnes, a close adviser to the exiled head of state, has said that this represents a step backward for those in Haiti who are trying to flee the reign of terror. Barnes, an attorney for President Aristide and for the Haitian Refugee Center, in Miami, announced that he will take legal action against the U.S. policy, which he says violates international rules on protecting refugees.

On 5 July, William Gray explained that all those who flee by sea, except those who can prove that their lives are in danger, will be sent to refugee camps in Panama, Dominica, Jamaica, and Antigua. Gray is the U.S. official in charge of the Haitian file. President Clinton thanked the Panamanian president and the Dominican and Antiguan prime ministers on 5 July for offering to take in Haitian boat people.

Assembly of Democrats Calls for Elections

FL0607174794 Port-au-Prince Signal FM Radio in French 1030 GMT 6 Jul 94

[Excerpt] Gabriel Augustin, leader of the Assembly of Democrats for the Republic, has called for nationwide elections as a way out of the crisis and for Haitians to form a common front against potential aggressors. Augustin has asked the Jonassaint government and others to shelve the 1987 Constitution. [passage omitted]

Shipwreck Survivors Estimate 320 Refugees Aboard

FL0607220594 Port-au-Prince Radio Metropole in French 1600 GMT 6 Jul 94

[Excerpts] At the beginning of the week, numerous Haitian boat people drowned off Saint-Marc. It is essentially impossible to get an exact number on this shipwreck. Guilloto Francois reports on this tragic situation:

[Begin recording] [Francois] It is among powerful waves that Haitians take to the sea to seek a haven. Most of these boats are not in good condition and are often overloaded. A clear example of this occurred on 4 July, when a small boat leaving Saint-Marc Harbor at 0900 GMT capsized on the high seas, causing numerous fatalities. The Haitians who drowned were attempting to enter the United States through Florida. The survivors of the 4 July shipwreck had taken to the sea to escape the embargo.

[Unidentified survivor, in Creole] The embargo must be lifted. All these incidents are due to the embargo... People who are holding the country must leave. I was a strongly built person. Now, the embargo has made me skinny. I have at least 13 children and I cannot feed them... We are dying. We are dying.

[Francois] Right now, only the skeleton of the boat can be seen in the middle of the sea, with clothes and other goods around it. It is difficult to assess the number of people who drowned in the wreck. Residents in Riviere Salee, who live near the scene of the accident, reported, however, that they found decaying bodies near the shore.

[Unidentified witness] Many dead bodies, about 200 bodies. There are many who have not yet been found. Some are under the boat and we cannot go to get them. [passage omitted]

[Francois] According to the survivors, at least 320 people were aboard. About 80 survived. If there is still no official number on the wreck, one fact is certain: This wreck has increased the number of Haitians who continue to die in the sea. [end recording]

Former Army Colonel Heads New Political Party

FL0607180894 Port-au-Prince Signal FM Radio in French 1030 GMT 6 Jul 94

[Text] The Patriotic Camp and Haitian Alliance Party [PACAPALHA] is new on the Haitian political scene and can in no way be out of it. PACAPALHA is led by Franck Romain, former Haitian Army colonel and former Port-au-Prince mayor.

PACAPALHA has issued a press release, declaring its intention to work toward representative democracy and ideological and institutional pluralism in Haiti and confirming its belief in the need to safeguard and respect citizens' rights. Romain believes that national reconciliation goes hand in hand with social peace, which is the daughter of economic progress. This is the slogan of the new political party led by former Port-au-Prince Mayor Franck Romain.

Roundup of Economic Developments

PA0607230794

[Editorial Report] The following is a compilation of reports on economic developments monitored through 5 July.

Yesterday, the Secretariat of Commerce and Industrial Development, SECOFI, reported that in the January-May period, $6.4487 billion entered the nation in foreign investment, of which $3.5523 billion was earmarked for the stock market. With this amount, foreign capital investment during the current six-year administration totaled $48.1996 billion, that is, 100 percent higher than the $24 billion forecast. One of the most important mechanisms for attracting foreign investment has been treasury bonds. (Mexico City LA JORNADA in Spanish 27 Jun 94 p 52)

The industrial sector acknowledged that this year, conditions do not exist to fix measures for the reactivation of the microeconomy. Likewise, the sector accepted that this year will show a drop in productive activity, indicating that the political situation forced the government to set aside concerns about the microeconomy's difficult situation. For the time being, the recovery of productive investment is ruled out, thereby foreseeing no creation of new jobs, revenues, or production. (Mexico City EL FINANCIERO 28 Jun 94 p 28)

Pedro Aspe, secretary of finance, has said that economic evolution is "on course," although the expected recovery "will not have the same speed it attained at the end of 1993," and the rhythm hoped for "is almost impossible to achieve in the coming quarter." Nevertheless, he indicated that the financial modernization fostered by the current regime seeks to establish a more solid and efficient system where the margins of middlemen are reduced, thereby benefiting the users of credit. (Mexico City EL FINANCIERO in Spanish 28 Jun 94 p 26)

The National Banking Commission reported that development banks lost 9.5 million new pesos in the first quarter because of the reduction in interest rates and an increase in the number of loans failing as they come due. The Commission added that for the same period last year, there was a profit of 139.2 million new pesos. Another financial indicator adversely affected was solvency, where the ratio of loans due to accountable capital fell. (Mexico City UNOMASUNO in Spanish 29 Jun 94 p 17)

The Federal Competence Commission under SECOFI has sanctioned the following financial institutions: Banamex,National Bank of Mexico; Banco Internacional; Probursa; and Serfin Financial Group, Grupo Finaciero Serfin, for engaging in monopolistic and uncompetitive practices during the Cetes bids. (Mexico City EL FINANCIERO in Spanish 29 Jun 94 p 31)

The undersecretary of industry in SECOFI has said that although foreign investment and exports during the first six months of NAFTA's implementation have been favorable for Mexico, as seen in an increase in foreign investment and exports, it is necessary to "reinforce certain sectors and activities" that do not meet all conditions for competition. He added that NAFTA's good performance has been overshadowed by social and political events in Mexico. (Mexico City EL FINANCIERO in Spanish 30 Jun 94 p 28)

Mexican Petroleum's, PEMEX, total net debt adds up to approximately $10 billion, of which $8 billion corresponds to loans contracted abroad, PEMEX's corporate finance director has reported. This amount represents 25 percent of the company's $40 billion fixed assets and 20 percent of the $50 billion total assets. PEMEX added that it is preparing information for the U.S. Securities and Exchange Commission for inclusion in the latter's selected register. (Monterrey EL NORTE (Foreign Edition) in Spanish 30 Jun 94 p 32A)

Emilio Gamboa Patron, secretary of communications and transportation, has handed over the administration of six ports—Altamira, Acapulco, Ensenada, Guaymas, Tampico, and in Quintana Roo—to the private sector. He indicated that in the past year, more than 70 concessions have been granted, representing a commitment to invest 1.2 billion new pesos in this sector. (Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 30 Jun 94)

The National Association of the Processing Industry, Canacintra, has stressed that changes in the financial sector prompted by political conflicts and subsequent delays in investments have prolonged the slowdown in production. In turn, it has been estimated that 42 percent of the manufacturing industry is suffering the effects of the recession. (Mexico City UNOMASUNO in Spanish 1 Jul 94 p 17)

The National Council of Foreign Trade of the Northeast, CONACEX-Noreste, has issued a call to Mexican exporters to express their opposition to U.S. congressmen regarding President Bill Clinton's proposal on dumping and subsidies because "it reinforces protectionist measures." CONACEX-Noreste Director Juan Manuel Quiroga Lam said that if Clinton's proposal is approved, Mexican exporters would be adversely affected. (Monterrey EL NORTE (Foreign Edition) in Spanish 1 Jul 94 p 24A)

PEMEX has announced an adjustment in export prices to its clients in the Americas, Europe, and the Far East. A PEMEX spokesman said the new price will go into effect on 1 July. The reason for the price adjustment is to keep Mexican crude competitive in the international market. For clients in the Americas, the price for Maya crude will go up 10 cents a barrel, and Isthmus crude will increase by 15 cents. The price of Olmeca remains unchanged. Maya crude will increase 20 cents for clients in Europe, while Isthmus will remain unchanged. For clients in the Far East, Maya will be increased 40 cents per barrel, while Isthmus will decline 15 cents per barrel. (Madrid EFE in Spanish 0342 GMT 1 Jul 94)

In the first quarter of 1994, the private sector paid $804.1 million in interest on its foreign debt. Compared to the $499 million paid over the same period last year, interest payments on the debt increased by 61 percent. The interest paid by the public sector on its foreign debt increased by 9.7 percent, totaling $2.244 billion. Analysts who were consulted said this increase in interest paid to foreign creditors was prompted by higher interest rates, as well as by an increase in the level of indebtedness. (Monterrey EL NORTE (Foreign Edition) in Spanish 1 Jul 94 p 31A)

According to research by EL FINANCIERO based on information from the Finance and Public Credit Secretariat and the Bank of Mexico, for every dollar obtained by the public administration from export revenues, it had to pay $4.50 to cover its foreign debit in the first quarter of 1994. (Mexico City EL FINANCIERO in Spanish 4 Jul 94 p 3A)

Information released by the Bank of Mexico, the Finance and Public Credit Secretariat, and the stock market sector shows that the amount of the debt contracted with foreign creditors, inside and outside the country, currently stands at $151 billion, or 38 percent of the GNP. Of this, $106.2 billion corresponds to debts contracted by the public sector, nearly $20 billion to private sector debts, and a little more than $25 billion to debts by commercial banks. (Mexico City LA JORNADA in Spanish 4 Jul 94 pp 52, 42)

Commerce Secretariat sources have disclosed that Mexico is the developing country with the largest number of foreign investments, and it is even ahead of China. According to official figures, in the first five months of 1994 foreign investment rose to $6,449 billion, 89 percent more than that registered for the same period in 1993. (Madrid EFE in Spanish 0739 GMT 2 Jul 94)

According to the National Institute of Geography, Statistics, and Date Processing, INEGI, 1.8 million Mexicans—3.8 percent of the economically active population—were unemployed in April. Unemployment affected 3.8 percent of the 47.7 million Mexicans who are over the age of 12—people INEGI considers capable of working in accordance with the International Labor Organization. (Madrid EFE in Spanish 1826 GMT 2 Jul 94)

El Salvador

New PNC Director Pledges To Fight Organized Crime

PA0607234594 San Salvador Canal Doce Television in Spanish 0300 GMT 2 Jul 94

[From the "Up-to-Date" newscast; passage in quotation marks recorded]

[Text] For the first time, the Security Ministry conducted a change of command at the National Civilian Police [PNC]. The first director was Jose Maria Monterrey, who served two years. Today, Monterrey turned his command over to Deputy Security Minister Hugo Barrera who, subsequently, turned it over to Engineer Rodrigo Avila.

[Avila] "Mr. Deputy Minister, I am receiving the PNC banner, and I pledge to strive to enforce public security in El Salvador.

[Barrera] "I am presenting this banner to the PNC for its proper protection.

[Avila] "I am hereby receiving the PNC banner for its proper protection." The farewell speech delivered by the outgoing director was emotional, as were expressions of gratitude for his work.

[Avila] "...I am presenting this symbolic weapon to you in the hope that you will keep it in a special place in your home. In other words, it is not to be used but to be stored in a special place. [laughter] Therefore, Don [words indistinct] you will have to withdraw this weapon from the Defense Ministry.

[Monterrey] "I kept this pistol on my desk for two long years, and I never had to use it. As you can see, it is new. I never even put bullets in it. I believe that because of our culture, democracy, and our recent experiences, we must initiate a new democracy in which no one will bear arms."

His own unused weapon, however, is not the only thing Monterrey received. The new director also presented him with the first identification badge which, from now on, will be used by every PNC policeman to preclude any more crimes by individuals wearing PNC uniforms.

[Avila] "This is the PNC badge, which policemen must wear on their uniforms. When they are off duty they must take it home with them. It is a symbol of authority that must be respected."

During the ceremony the new director also pledged to continue struggling against crime.

[Avila] "I am honored and feel obliged to make my best effort to consolidate our PNC as a sign of peace and unity for all Salvadorans."

Today the PNC received a new director who, upon receiving this command not only received a banner but a challenge to do something, which has not been done for a long time—the elimination of organized crime in El Salvador.

Honduras

Presidential Designate Denies Haitians Being Admitted

PA0607195494 San Pedro Sula TIEMPO in Spanish 6 Jul 94 p 7

[Report by Maria Edith Diaz]

[Text] Tegucigalpa—Yesterday, Presidential-designate General Walter Lopez Reyes (Retired) denied that the Honduran Government will agree to take in Haitian refugees, as Panamanian President Guillermo Endara hinted according to a report by an international news agency.

Lopez Reyes was surprised by the information, which he attributed to a conversation he held in June with U.S. Secretary of Defense William Perry, whom he told that the Honduran Government would not participate in an invasion of Haiti, and it would cooperate at some point in time with a contingent to keep the peace and to restore democracy in that country.

"As for receiving any number of refugees from that country, Honduras would not agree because we have too many problems of our own to solve and they must be given priority," he said. Regardless of any agreements that could be reached, he said, for Honduras to take in a group of refugees "at this stage" would pose quite a problem.

As for Endara's remarks to the effect that Honduras might take in Haitian refugees, Lopez Reyes said he would have to read the international news agency report to figure out "his intentions" because that is not Honduras' position. Honduras knows very well that it cannot accept any number of refugees.

Nevertheless, when asked if Honduras would accept Haitian refugees for humanitarian reasons, Lopez Reyes said President Carlos Roberto Reina would decide that because he directs government policy.

Lopez denied that the U.S. Government, through the defense secretary, had asked Honduras to take in Haitian refugees. He said the question formulated by the foreign official was "if we would be willing to cooperate to maintain peace and democracy in Haiti," which Honduras agreed to do, warning that it would not participate in an invasion.

The presidential designate does not believe the U.S. Government will pressure Honduras to agree to something it cannot "tolerate or sustain."

Meanwhile, U.S. Ambassador William Pryce, who met with President Reina and Designate Lopez Reyes, denied having

discussed the refugee issue with the president. Pryce said Honduras has already admitted Haitians into its territory, such as those living in Colon Department, but that at this time, "it seems as if they will not" receive any more refugees from that Caribbean country.

Vice President Affirms Decision

PA0607222694 Panama City ACAN in Spanish 2104 GMT 6 Jul 94

[Excerpt] Tegucigalpa, 6 Jul (ACAN-EFE)—Honduras will not receive any Haitian refugees fleeing from the political, economic, and social crisis existing in their country, Vice President Walter Lopez Reyes reiterated today.

"We have too many problems that require urgent resolution," Lopez Reyes stated, denying unofficial reports that Honduras might accept a mass influx of Haitian refugees.

Panama's decision to accept 10,000 Haitian refugees for a one-year period has provoked reaction in certain Honduran media, which indicate that if U.S. President Bill Clinton managed to convince his Panamanian colleague Guillermo Endara, he will do the same with Honduras to convince it to accept Haitian refugees.

Two weeks ago, the Haitian situation was discussed between Lopez Reyes and U.S. Secretary of Defense William Perry during a two-hour visit to Honduras. Today, the vice president reiterated that Honduras would be willing to send troops to Haiti to participate in a possible international peacekeeping force to reestablish order in that nation. [passage omitted]

Roundup of Economic Developments

PA0507221794

[Editorial report] The following is a compilation of reports on economic developments monitored through 5 July.

Honduran Central Bank (BCH) sources have disclosed the country's cumulative inflation during the first five months of 1994 amounted to 12.69 percent, a figure very close to the 13.04 percent reported during the same period in 1993. Consumer prices increased the most in May when the cost of living increased by 3.93 percent in comparison to April, but BCH authorities have refused to disclose information about inflation in May. According to an estimate by BCH President Hugo Noe Pino, inflation in 1994 will amount to approximately 18 percent, although private sector experts believe that figure is "virtually impossible" due to the economic crisis the country is facing. (Mexico City NOTIMEX in Spanish 2211 GMT 28 Jun 94)

Shrimp has become Honduras' third leading export over the past four years according to a private sector spokesman. Honduras ranks second among countries that export shrimp tails, which generate an annual income of more than $80 million in foreign currency. The shrimp industry, which is expected to gain strength in 1995, produces approximately 46 million pounds of shrimp tails annually and employs more than 20,000 people. (Panama City ACAN in Spanish 2055 GMT 28 Jun 94)

Congress President Carlos Roberto Flores and Vice President Jorge Arturo Reina renegotiated approximately $100 million of the Honduran debt with Spain as part of a plan of cooperation during a recent visit to Spain. The Hondurans met with Spanish head of state Felipe Gonzalez, who reaffirmed his country's interest in providing economic aid to Honduras, particularly for education, communication and infrastructure plans. The Honduran officials also met with other Spanish authorities and representatives from all the Spanish firms operating in Honduras. (Tegucigalpa LA TRIBUNA in Spanish 30 Jun 94 p 13)

Christian Hausmann, the new German ambassador to Honduras, has announced that the German Government will contribute annually more than $6.5 million to Honduras to help combat poverty. Hausmann, the EU's representative in Central America, has said Germany will also contribute funds for housing and regional small businesses. (Tegucigalpa EL PERIODICO DE HONDURAS in Spanish 1 Jul 94 p 47)

Honduran Economy Ministry authorities today agreed on a fuel price increase, which will intensify the economic crisis. Premium gasoline increased eight cents to $1.30 per gallon; regular gasoline increased by 10 cents and is now $1.25 per gallon. Diesel and kerosene prices also increased but not quite as much. The new prices will go into effect immediately. (Hamburg DPA in Spanish 0454 GMT 2 Jul 94)

The BCH has sold $19.5 million in public auctions over the past seven days, at a maximum rate of 8.68 lempiras to the dollar. The public auctioning of dollars is a mechanism adopted by Honduran Government monetary authorities to deal with the lempira's 19-percent devaluation during the first six months of 1994. BCH President Hugo Pino has said the price of foreign currency dropped by at least three points during the past seven days. The BCH sells a minimum of $5,000 and a maximum of $200,000 during each auction. (Panama City ACAN in Spanish 1950 GMT 2 Jul 94)

A Honduran Government source says the government must earmark $19.8 million over the next three months to control the current energy crisis, which is threatening national production. The Energy Commission has issued a communique saying two thermal plants are being repaired at a cost of $9.6 million and will begin operations in September. Moreover, Mexico is lending the government three power plants indefinitely. The Honduran Council for Private Enterprise criticized the government's indecisiveness last week in finding solutions and its refusal to declare a national emergency and has called for a commission of notables to administer the

power company during the crisis. (Mexico City NOTIMEX in Spanish 1801 GMT 3 Jul 94)

Despite the Economy Ministry's measures, prices for basic staples have substantially increased over the past two months. Retailers blame the situation on constant fuel price increases. The price of corn has increased the most, and dairy products will increase by 50 cents as of 4 July. (Tegucigalpa LA TRIBUNA in Spanish 4 Jul 94 p 3)

Otto Martinez, Honduran deputy economy minister for domestic trade, announced yesterday the country's oil bill will increase by $20 million due to the fuel used at thermal plants. He explained the government paid $150 million for oil last year, but with the constant power outages additional fuel-powered generators are being used and will consume 6 percent more fuel. (San Pedro Sula TIEMPO in Spanish 5 Jul 94 p 6)

Due to the severe rationing of power during the early months of 1994, Hondurans have been forced to seek alternative sources of power. This will increase, however, the domestic consumption of oil byproducts. The domestic consumption of oil may be twice as much as it was in 1993 due to the demand for diesel for thermal plants and small motors. According to BCH statistics, 255,600 barrels of oil byproducts were imported in March 1994 at a cost of $11.1 million, 40.5 percent more than what was spent during the previous month. Honduras spent $34.7 million on oil during the first quarter of 1994, 19 percent less than during the same quarter in 1993, because the average price of a barrel of oil decreased by 19.1 percent. (San Pedro Sula TIEMPO in Spanish 5 Jul 94 p 2)

Nicaragua

Leal Reaffirms Inability To Accept Haitians

PA0707002094 Panama City ACAN in Spanish 2229 GMT 6 Jul 94

[Text] Managua, 6 Jul (ACAN-EFE)—Nicaraguan Foreign Relations Minister Ernesto Leal today reiterated that his country is in no condition to receive Haitian refugees because of Nicaragua's economic problems and poverty.

"We cannot have foreigners (in our national territory) because of our impoverished condition," Leal stressed in reply to journalists' insistence during a news conference in Managua.

Up until now, Panama is the only country in the Central American isthmus which, at the request of the United States, has accepted 10,000 Haitian refugees fleeing Haiti's serious political, social, and economic crisis.

Meanwhile, the head of Nicaraguan diplomacy, spoke out against a military invasion of Haiti to restore constitutional President Jean-Bertrand Aristide to power, who was overthrown by coupists military officers on 30 September 1991.

"We favor the application of measures adopted a year ago" by the international community, added Leal.

Police Commander, Army Chief Deny Friction in Drug Fight

PA0607234694 Managua BARRICADA in Spanish 2 Jul 94 p 4

[Passages within italics as published]

[Text] Commander Fernando Caldera, director general of the National Police, yesterday said: "There is no friction whatsoever between the National Police and the Army concerning the control of the fight against drug trafficking, because this fight belongs to no one."

Meanwhile, following a meeting between the high commands of the two institutions, General Humberto Ortega pointed out: "We have explained to our officers that the National Police is the organization that supervises the fight against drug trafficking."

The Army chief said he was puzzled by media reports on alleged friction between the two institutions over the control of the fight against drug traffickers.

The *Military Code*, which the National Assembly will discuss, indicates that the Army must participate and help in this operation. Meanwhile, the *Drug Law*, which the legislature approved last month, stipulates that the police have jurisdiction over this issue.

Ortega added that this fight must be incorporated into military operations insofar as drug trafficking invades Nicaraguan territory and waters, underscoring that the Army has a navy, an air force, and surveillance capabilities that must be used in this struggle.

Gen. Ortega pointed out: "Together we have made some progress in the fight against drug trafficking."

Military Code Undergoes Modifications

PA0707032394 Managua Canal Cuatro Television in Spanish 0400 GMT 5 Jul 94

[Report by Miguel Mora from the "Extravision" newscast]

[Text] For the first time in Nicaragua's history, a code regulating the military will be submitted to a debate in the National Assembly.

A document signed by 13 of the 18 deputies of the committees that issued reports on the military code concluded that all sectors agree that there currently is an incontestable need for an army, that the law grants the president explicit powers to subordinate the military to civilian authority, and that no civilian will be tried by a military court. The report also notes the need, according to INSSBI [Nicaraguan Social Security and Welfare Institute], to establish a social security system for the military, because servicemen cannot be covered under

the civilian social security system. According to modifications to the bill, the military social security institute will not have privileges of any kind in fiscal matters. The authority to create a defense ministry is left to the president. In conclusion, one cannot say this is the same bill the army submitted a few months ago. The code has already undergone changes on substantial and unique matters.

It was decided that the army should be nonpartisan, national, nonpolitical, and professional. No serviceman may participate in any political party. Authority to allow the dispatch of troops abroad or the transit of foreign troops through national territory was eliminated, because the lawmakers felt that this authority should not fall solely under the purview of the president but also under that of the National Assembly. The legislators explained and improved the method of appointing the chief of the army, giving the president the power to ask the Military Council as often as he or she deems advisable to remove the head of the army.

The changes include clarifications on other reasons for removing the army chief and include the rule that the army chief cannot be reelected. The document regards as insubstantial the more than 40 modifications made to the military code. For this reason, it asked that the code not be approved until the Constitution is fully amended. Tomorrow, the lawmakers will vote on the two reports, possibly by way of a secret ballot, because of the many threats by extremists groups against deputies.

ΩConservative Daily Criticizes New Military Law

94P20954A

[Editorial Report] A series of commentaries in the right-wing Managua daily LA TRIBUNA criticized the proposed military law which was sent by President Chamorro to the National Assembly on 18 May. The paper's commentators claimed that the law gives the military too much power by limiting the president to appointing a commander in chief proposed by the military council and by allowing the military to run businesses without paying taxes. They also questioned whether the provision for judging military personnel accused of crimes will be effective

In a 17 June LA TRIBUNA commentary, Francisco Lainez said that the military law as it is now written turns the commander in chief into a dictator, because that person "names his successor; decides promotions from generals on down; issues the internal military regulation and other regulations...and supposedly decides the size of the Army." In the same issue, Sergio Garcia Quintero explained that Article 90 of the law legalizes the property which the Army acquired in the pinata—property confiscated by the Sandinist Front between the 25 February 1990 election and 25 April 1990 when Chamorro took office.

According to comments made by National Conservative Party leader Emilio Alvarez Montalvan, reported in the 19 and 20 June issues, various articles of the new military law reduce the president to a strictly ceremonial role, including Article 7 which establishes that the president shall appoint the Army chief proposed by the Military Council: "The role of the president of the Republic in this law is completely ceremonial; she signs what the military commands. This is the opposite of a democratic state." Alvarez faulted the law for omitting the position of defense minister, "who represents the civil authority of the president." He also criticized the provision which returns to military authority the Directorate of Information for Defense, an intelligence organization which has been under civil authority. Alvarez contended that the law allows the Sandinist People's Army, EPS, "to legalize its separation from civil authority, instead of giving its unconditional support to Mrs. Chamorro's government whose stability depends...on this institution." For example, the law gives the military "carte blanche to run businesses, speculate on the stock market, purchase stock in Nicaraguan Telecommunications and Postal Services, Telcor, finance imports for businessmen, lower labor costs, obtain profits at any price, keep private property without paying a cent...." He asserted that the United States is satisfied with the law simply because Humberto Ortega is stepping down as Army chief.

In the 20 June LA TRIBUNA issue, Humberto Castilla questioned the efficacy of the military forum established to deal with legal issues. He asked how the forum will deal with "'active retirees' who devote themselves to kidnapping ranchers and producers, vice presidents, and deputies; and of course those who kill the owners of property that was confiscated, who confess their acts publicly but who have yet to go to jail" —an apparent reference to the conviction of Leftist Punitive Forces leader Frank Ibarra for the 1992 murder of Confiscated Property Owners Association President Arges Sequeira. He contended that the law establishes the military as a fifth power along with the executive, legislative, judicial, and electoral branches.

Editorials in the 9 and 18 June LA TRIBUNA issues argued that the law is faulty, not because the Army is exempt from paying taxes, but because it should not be allowed to run businesses at all but rather it should derive its funding from the national budget. Commentator Luis Sanchez Sancho wrote in the 20 June issue: "If the Army is not subordinate to civilian power but it assumes political, internal security, and institutional functions, it will turn into a superpower within the State."

Panama

Haitian Ambassador, Mulino Hold Private Meeting

PA0607190294 Panama City Circuito RPC Television in Spanish 1730 GMT 6 Jul 94

[From the "Day to Day" newscast]

[Text] Haitian Ambassador to Panama Georges Barberousse said today that he is awaiting instructions from his government on the arrival in the country of 10,000 Haitian refugees.

Barberousse made this remark upon leaving the Foreign Ministry following a private meeting with Foreign Minister Jose Raul Mulino, which he described as an informative assessment of the refuge Panama will grant to 10,000 Haitians at the behest of the United Nations and the U.S. Government.

Ambassador Barberousse, who represents the constitutional government of President Jean-Bertrand Aristide, was accompanied by an Embassy adviser. Addressing reporters, he said he cannot yet provide specific information on the refugees' arrival in Panama.

The Haitian diplomat added that he has not yet received instructions from his government, adding that a report on his conversation with Foreign Minister Mulino will be sent to the constitutional Haitian Government. Meanwhile, he is awaiting instructions from his government.

Barberousse underscored that the refugee negotiations are being conducted by the United Nations, the U.S. Government, and Panama.

Mulino Defends Decision To Accept Refugees

PA0607171994 Panama City LA PRENSA in Spanish 6 Jul 94 p 1A

[Report by Manuel Alvarez Cedeno]

[Text] Yesterday, Foreign Minister Jose Raul Mulino stressed that granting refuge to approximately 10,000 Haitians was a decision based on human solidarity, one "we cannot turn our backs on." Meanwhile, various sectors voiced their dissatisfaction with the measure.

The government announced that it will accept Haitian refugees, whose number could reach up to 10,000, and who are fleeing General Raoul Cedras' dictatorship. When the Haitians arrive, they will be lodged at a camp on an island in the Las Perlas Archipelago, most probably the Island of San Jose, owned by George F. Novey III.

They will remain at the former Fort Sherman until the camp is built on the island.

When he was reminded that San Jose Island is owned by Novey, Mulino recalled that public interest prevails over private inerest and he added that if necessary some kind of an agreement will be reached with him. However, he explained that several options are being contemplated, including building the camp on another island in Las Perlas Archipelago.

During a news conference, the foreign minister explained that the decision "has not been easy, but it has a profound sense of international solidarity, particularly for the Panamanians who lived through a military dictatorship."

Asked about the criticism of Endara's decision, Mulino stressed: "Everyone expresses solidarity when they are not directly affected. But when it comes time for them to dance with the ugly girl, they run for the door."

He reiterated that Panama accepted the UN request, but will also safeguarding national security and public health.

The Haitians will be sent to a camp that will be under the supervision of the UN's blue helmets. They will not be out in the streets or the parks, he added.

According to Mulino, being a member of the international community also implies certain duties and rights. "We had to make a very controversial decision, and we will assume responsibility for any criticism," he warned.

The foreign minister noted that "there were no deals under the table; everything was decided out in the open."

It was reported that the office of the UN Commissioner for Refugees (UNHCR) willl sign an agreement with Panama in the next few days. Meanwhile, it was added, several UN experts will arrive in the country today to check Pedro Gonzalez, San Jose, and other islands in the archipelago to decide on where the camp will be located.

Endara's decision sparked several adverse reactions from groups and people who asserted that Panama does not have the means to receive the Haitians.

According to Endara, UNHCR will cover all the expenses to establish and maintain the refugee camp. It will also be in charge of repatriating them. The Haitians will remain in Panama for a maximum of one year.

Irene Perurena of the Justice and Peace Commission noted that Endara should have consulted with the various groups in the country prior to making a decision.

It was reported that President-elect Ernesto Perez Balladares will meet with Endara at the Presidential Palace tomorrow to study this matter.

During a meeting with the foreign press, Endara said that the agreement that will be signed with the United Nations will establish that that organization and the United States will be responsible for any damage suffered by the Panamanian state or any of its people as a result of this agreement.

Mulino explained that the refugee camp cannot be set up on the U.S. military bases because Panama will not violate the Torrijos-Carter Treaties.

More on Endara, Mulino Defense

PA0607173094 Panama City EL PANAMA AMERICA in Spanish 6 Jul 94 p 1A

[Report by Juan Pritsiolas and Arnulfo Barroso]

[Text] President Guillermo Endara has characterized the criticism leveled against him for welcoming 10,000 Haitians as "lacking in human sensitivity and charitableness." Meanwhile, Foreign Minister Jose Raul Mulino has warned that the decision to take in the refugees will not be changed despite the objections raised in Panama.

According to Endara, the decision to establish the Haitians on San Jose Island is a matter of "basic Christian ethics" and not a deal between the United States and Panama. Mulino said that if the refugees were "blonde and wealthy" they would even be asked to marry Panamanian women, but since they are "black and indigent no one wants them."

Today Endara will meet with the owners of San Jose Island, among whom are George Novey III, Immigration Director Antonio Dominguez, Otto Probs, and several Americans, whom he will ask to lease the island. "If they do not agree, the Constitution allows the state to occupy lands in time of urgent need," the president said.

The United Nations estimates that the direct cost of maintaining the Haitians in Panama will be 3 million balboas monthly. Furthermore, the UN will have to pay the lease on the island, which has a total area of four hectares and is 52 miles from Panama City.

The president said that in addition to surveillance by UN blue helmets, Panama intends to ask the UN to supply three speed boats and two helicopters to prevent the Haitians from leaving the island.

Although President-elect Ernesto Perez Balladares has recommended establishing the Haitians at Southern Command bases, Endara explained that to do so would constitute a violation of the Canal Treaties.

Meanwhile, Foreign Minister Mulino warned U.S. diplomat Oliver Garza that "the agreement would be called off" if the Haitians are established on bases. Those installations are for the Canal's protection and not for other purposes, he said.

Mulino explained that any Haitian children born on San Jose Island will be of Panamanian nationality, but this does not imply that their parents will be able to remain in the country beyond the period stipulated by Panama. The agreement with the UN is "categorical: they will come and they will leave," Mulino said.

The Haitians who enter Panama will be subject to examinations to detect whether they are carrying contagious diseases; they will also undergo a process of classification to determine which of them will be able to later request political asylum in the United States or remain on San Jose Island as "economic refugees."

The refugees in question are at the base in Guantanamo (Cuba) and on boats anchored off the Jamaican coast. Their stay in Panama may last up to a year. They will be able to enter Panama as soon as the agreement with the UN is signed.

According to Mulino, Panama's solidarity is not part of any "coordinated operation or any agreement with Jean-Bertrand Aristide's ousted government."

Regarding San Jose Island, the future home of the Haitians, it has come to our attention that its owners are promoting it as a "pearl among pearls" and have even compared it to the Galapagos Islands. A trip to the island takes three hours by motorboat and 20 minutes by airplane. The island has 48 beaches, 7,000 pigs, deer, reptiles, various birds, and fresh water rivers.

San Jose has been owned since 1877. Lumber dealer Miguel Palma filed a complaint to recover it for the state but did not succeed. One of the early owners was the M. Heurtemate and Company, which over a century ago purchased it in an auction for the sum of "4,000 colombian pesos."

Assembly Summons Mulino

PA0607213894 Panama City Circuito RPC Radio in Spanish 2100 GMT 6 Jul 94

[Report by Jose Garibaldi from the Legislative Assembly in Panama City]

[Text] Foreign Minister Jose Raul Mulino has been summoned to appear before the Legislative Assembly tomorrow to explain why the Panamanian Government wants to offer refuge to a group of Haitians. According to Assembly President Arturo Vallarino, Foreign Minister Mulino will explain how the Haitians are to enter Panama.

[Begin Vallarino recording] We want to get information from the primary source, and we want to know more about this alleged agreement that has been signed with the United Nations. For this reason, we have asked the foreign minister to appear before the Human Rights Commission tomorrow to report on the agreement and the conditions under which an undetermined number of Haitian refugees will enter the country. [passage indistinct] First, we must find out whether this is an international agreement. We must find out whether it falls within the framework of agreements Panama has with international organizations on the issue of refugees. [end recording]

The Legislative Assembly president added that if legislators want to discuss the Haitian refugee issue in a special session, this will first have to be taken up by the Foreign Relations Commission. The commission could then present a recommendation for a debate by the full assembly.

Treaties Allow U.S. Bases To Accept Refugees

PA0707011894 Panama City Circuito RPC Television in Spanish 2300 GMT 6 Jul 94

[Report by Alexandra Ciniglio from the "RPC Television News" newscast]

[Text] The Haitian refugees who will be brought to our country could be lodged at U.S. bases without violating the Panama Canal Treaties. This has been stated by Carlos Lopez Guevara, a former Panama Canal treaty negotiator.

The Panamanian Government announced that it will send the Haitian refugees to San Jose Island in Las Perlas Archipelago where the United Nations will build a special camp. President-elect Ernesto Perez Balladares announced through his spokesmen that his government is opposed to granting refuge to the Haitians on the island and instead believes they should be housed on U.S. military bases. This proposal is viable for former treaty negotiator Carlos Lopez Guevara.

[Begin Lopez recording] Today, the United States has authorized the use of those bases for the purpose of defending the Panama Canal. If Panama authorizes another use, our sovereignty is not affected because it is the sovereign nation that is authorizing, rightfully so, another use. Therefore, there would be no violation of the Neutrality Treaty. [end recording]

For Dr. Lopez Guevara, the idea of keeping the Haitians on U.S. bases would not only facilitate meeting their medical, housing, and food needs, but it also would guarantee the repatriation of the Haitians within the stipulated timeframe.

RPC has learned from sources at the U.S. Southern Command that currently, there is a group designated to help Panama find a location for the Haitians. This source said it is unknown how long this process will take, but that the Southern Command will issue a statement soon.

President Guillermo Endara said that while the refugee camp is being prepared in San Jose, the Haitians will be taken to Fort Sherman on the Atlantic side. Sources consulted by RPC, however, said the possibility has emerged of keeping them in the area of the well-known Contractor's Hill firing range. A video taken by our cameraman Hector Ramirez shows how a few hours ago, Canal Zone maintenance personnel were cutting the grass in the area, which is located just a few minutes from Panama City on the banks of the Panama Canal. People arrested following the invasion of Panama were kept at this site. Southern Command sources consulted by RPC would not confirm or deny the presence in Panama of UN representatives who are planning the arrival of approximately 10,000 Haitian refugees in our country.

Reaction to Decision To Accept Haitian Refugees

Panama City Council Supports

PA0607160894 Panama City LA PRENSA in Spanish 6 Jul 94 p 7A

[Report by Mileika Bernal]

[Text] The plenum of the Panama City Municipal Council yesterday issued a resolution supporting President Guillermo Endara's decision to allow 10,000 Haitians to enter the country as refugees.

The proposal to include the Haitian issue in the third point of the debate was supported by Councilman Olmedo Guillen of the Juan Diaz Corregimiento, who argued that the situation was extremely urgent.

At the request of the United Nations, President Guillermo Endara's administration has decided to allow into the national territory approximately 10,000 Haitian refugees. They are to remain in Panama for one year.

The majority of the Panama City councilmen favored Panama's acceptance of the Haitian refugees.

Luis Eduardo Camacho, representative of Calidonia, strongly criticized the position of some corregimiento representatives who did not accept that Haitians should come to Panama. He noted that Panama had experienced a situation similar to that which now exists in Haiti.

Camacho argued that there are powerful reasons for Panama to give shelter to these Haitians, for, just as in Panama's case, thousands of Haitians are forced to flee their country, the majority for economic reasons.

Meanwhile, Migdalia Fuentes de Pineda, Pueblo Nuevo representative, recalled that in 1987 Panama experienced the harshest military dictatorship, during which many Panamanians asked for and were granted political asylum in other countries. For this reason, the councilwoman recommended that the Haitian brothers be helped.

She criticized those who are demanding that the Caribbeans be denied entrance. But she did note that the Colombian mafia is allowed to enter and remain in Panama just because the "buck" has been passed.

Meanwhile, Astrid Vasquez disagreed with President Endara's decision and said that the measure was adopted based on humanitarian reasons without taking into account the high percentage of Panamanians who do not have a roof over their heads, have no access to education or hospitals, and do not have a job.

Vasquez noted: "Panama is already too crowded due to the lack of space for Panamanians."

The councilwoman also recommended that if an island in Las Perlas Archipelago is available for 10,000 Haitians that same island should be given to 10,000 Panamanians who have no place to live so they can farm the land.

Vasquez indicated that when Panama was experiencing the crisis of the dictatorship the United States did not show the slightest sensibility nor did it help find asylum for Panamanians. She recalled that that northern nation never asked for humanitarian asylum for Panamanians.

The councilmen also agreed with President-elect Ernesto Perez Balladares' proposal, which agrees to Haitians coming to Panama as long as they remain on a U.S. base under U.S. surveillance, and are protected by Panama.

Justice Commission Questions

PA0607182194 Panama City LA ESTRELLA DE PANAMA in Spanish 6 Jul 94 p 1

[Report by Cristobal A. Chen]

[Text] The decision to accept 10,000 Haitian refugees should have been made based on a national consensus and not unilaterally by the Executive Branch, Irene Perurena, director of the Justice and Peace Commission said yesterday.

"This is a very serious decision that affects all sectors of society. Therefore, all sectors that will be affected should have been consulted," Perurena added.

According to the Justice and Peace Commission, President Guillermo Endara did not consult any of the human rights groups in the country.

President Endara agreed to receive Haitians in our country in reply to a request by the U.S. Government and the United Nations to accept Haitian refugees because of the ongoing political crisis in that Caribbean nation.

Perurena said "it is inhuman to lodge the Haitians in tents set up on U.S. bases in our country or San Jose Island, where it has been announced they will be transferred later."

Panamanian President-elect Ernesto Perez Balladares has said the Haitian refugees should be installed in U.S. military bases under the control of the U.S. Army.

Former Noriega Aide Critical

PA0607190894 Panama City TVN Television Network in Spanish 1700 GMT 6 Jul 94

[From the "National Newscast at Twelve"]

[Text] Renato Pereira, a trusted aide of the Noriega regime, commented today on the arrival of Haitian refugees.

[Begin recording] [Pereira, in progress] ...world war, there has not been a movement of economic refugees, because they are economic refugees, of this scope. I think there is a tremendous amount of irresponsibility. I understand... [pauses] Considering the position of the president-elect against allowing territory where the United States has no jurisdiction to be occupied by these Haitians, I feel those Haitians... [pauses] I am not sure 10,000 will come, but the ones who do come will ultimately end up on the military bases under U.S. control. The president-elect, based on the remarks of the foreign minister-designate and his political adviser... [pauses] They will not go to any island.

In addition, the subhuman conditions in which those Haitians will be living in on that island are frankly unacceptable in this century during which human rights are respected.

[Reporter] Why would President Guillermo Endara make this decision?

[Pereira] President Endara is desperate to please the international community. He is leaving. He knows the way in which he reached the Presidency was most unorthodox. The international community has not forgiven him for the manner in which he reached power, and he is desperate to ingratiate himself with the international community. But this step is truly outrageous. I think they are laughing at us abroad.

The United States has 9 million square kilometers and has places to receive not just 10,000 Haitians but all of Haiti, but doesn't do it. Why not? Because the U.S. Government is responsible and President Clinton does not want to look bad in public.

Who ends up coping with the problem? The poor people of Panama who have a president who is totally irresponsible and who does not know that no country in this world, not even France, would accept 10,000 refugees all at once. [end recording]

Former Government Minister Comments

PA0607192294 Panama City TVN Television Network in Spanish 1700 GMT 6 Jul 94

[From the "National Newscast at Twelve"]

[Text] Former Government Minister Juan Chevalier, who is also a member of the Arnulfist Party, today expressed his opinion on the acceptance of Haitian exiles.

[Begin recording] [Chevalier] Well, one must look at this from different points of view. From a humanitarian point of view, from a charitable point of view, these people are suffering a great deal. We must show our solidarity in this world not just through words but also through deeds. Nevertheless, we must also take into account that charity begins at home. Therefore this matter must be studied.

I believe that right now we do not know all the details of this operation. Before expressing a definite opinion on its appropriateness, it would be better to learn about all the aspects of the operation before expressing a definite opinion.

[Unidentified reporter] If it were in your hands to take this measure—taking into account your nation's social and economic situation—what would you do?

[Chevalier] Look here, this would depend on the circumstances. If this were bringing them in to compete with Panamanians, I would definitely say no. However, if they are not going to compete with Panamanians, if this is a controlled mission... [pauses] It would have to be under very special circumstances. I do not know who is behind this—if it is really the United Nations or if it is the United States. One would have to find out what this is all about. Therefore, I do not want to express an opinion; rather I would like to know what is really behind this before I give my opinion on its appropriateness. If they are going to compete with Panamanians, I definitely would have regret for our Haitian brothers, because we do not need competition here. [end recording]

Agricultural Development Minister Comments

PA0707010494 Panama City Circuito RPC Television in Spanish 2300 GMT 6 Jul 94

[From the "RPC Television News" newscast]

[Text] Agricultural Development Minister Cesar Pereira has said that the decision to settle Haitian refugees offshore or outside of U.S. bases will guarantee that the approved number of refugees will not be exceeded. Pereira, who is also a member of the commission reviewing the arrival of Haitians in the country, attempted to answer questions about why a U.S. military base was not the best choice for housing the Haitians.

[Begin Pereira recording] The only way we can limit the number of people is by sending them to an area that cannot be extended—a well-delimited area where there can never be room for more than 10,000 people. We do not want to use areas that the Panamanian Government might not be able to control after a certain amount time—areas in which there could be 1, 20, 40, or 45,000 people. [end recording]

Pereira says that in any place other than an island, Panama could face difficulties in preventing the number of refugees from increasing above the 10,000 authorized in the agreement to be signed. He said opposition to the arrival of Haitians by certain sectors is normal, especially because the truth is being distorted.

[Begin Pereira recording] The issue has been presented as if the Haitians are coming to strip Panamanians of their jobs, which is not true, or as if the Haitians are coming here to spend money that the United Nations has given them—money which should have gone to someone else. [end recording]

When asked about the creation of a Haitian refugee camp in Panama, President-elect Ernesto Perez Balladares said he agrees with the idea, provided the Haitians are located on a U.S. military base. President Guillermo Endara, however, is determined to send them to San Jose island.

Officials Say Aid Needed

PA0707013894 Panama City Circuito RPC Television in Spanish 2300 GMT 6 Jul 94

[Report by Luis Alberto Jimenez from the "RPC Television News" newscast]

[Text] Panamanian public security agencies trust that, with the arrival of Haitian refugees, the country will also receive assistance in ensuring national wellbeing and tranquillity. This help would contribute to guaranteeing that Haitians will not escape from their camps, because the nation's public security organizations do not have sufficient resources to carry out this task.

President Guillermo Endara's decision to allow the creation of a refugee camp for Haitians in the country has unleashed all sorts of adverse reactions. Various sectors are concerned about the health and safety of the Panamanian people. Judicial Technical Police Director Jaime Abad also is concerned. Abad made his statements before attending a Security Council meeting.

[Begin Abad recording] Many ruffians could be included among the refugees. However, this decision is not in our hands. We must wait and see what the authorities decide. [end recording]

According to Abad, the money the organization now has can only cover the work it is currently conducting.

Meanwhile, National Air Service Director Santiago Fundora said that keeping the Haitian refugees on San Jose Island will prove to be a difficult task that demands greater assistance.

[Begin Fundora recording] If the refugees are brought here, we must then receive equipment to fulfill our mission. I believe that if they are sent here, we will receive the equipment, because what we have is insufficient. We cannot lie about this. We do not have that much equipment. [end recording]

According to statements by President Endara, the agreement between the Panamanian Government and the United Nations High Commissioner for Refugees must be signed before the end of this week. In other words, the Haitian refugees may begin arriving in Panama early next week.

'Constitutional Expert' Comments

PA0707014794 Panama City Circuito RPC Television in Spanish 2300 GMT 6 Jul 94

[Report by Alexandra Ciniglio from the "RPC Television News" newscast]

[Text] Panama has agreed to grant asylum to as many as 10,000 Haitians following a petition from the United Nations and the U.S. President. It was reported in our country that the first Haitian refugees will arrive within the next few days, after the two parties sign an international agreement. Constitutional expert Cesar Quintero maintains these proceedings are illegal.

[Begin Quintero recording] As for international agreements with the United States or the United Nations, our Constitution stipulates that the Legislative Assembly must approve all international agreements and accords prior to their being ratified or enacted by the executive branch. [end recording]

The Legislative Assembly is currently holding a period of special sessions. The president of the Republic drafted the Assembly's agenda, and this issue was not included in it. According to Dr. Quintero, this is not a problem, because the executive branch has the authority to modify the decree through which the assembly was summoned to hold special sessions.

[Begin Quintero recording] The president must study and evaluate the situation. The worst of all possible countries was chosen; there are countries that have better circumstances for providing asylum to these 10,000 Haitians without affecting their economies. Why was Panama chosen? [end recording]

Dr. Quintero also said it is very difficult for the government to occupy San Jose Island without the approval of its owners, based only on the argument that the state urgently needs the island.

Human Rights President Comments

PA0707041994 Panama City Circuito RPC Television in Spanish 2300 GMT 6 Jul 94

[Report by Mara Rivera from the "RPC Television News" newscast]

[Text] Roberto Troncoso, president of the Panamanian Human Rights Commission, has told Circuito RPC Television that the announcement of the arrival of Haitian refugees in Panama has created feelings xenophobia and rejection. Troncoso explained that Panama made a very serious commitment when it informed the United Nations it would accept the temporary settlement of a group of Haitians in the country. The president of the Human Rights Commission said the Panamanians have to take one very important factor into consideration: human rights and solidarity with other peoples.

[Begin Troncoso recording] I believe this is basic. Panama enjoyed this right for some time, and it is now Panama's turn to heed to the cries of these people. Two things have become obvious: 1) a collective xenophobia against a Caribbean people, and we are also a Caribbean people; and 2) all Panamanians agree that the number 10,000 sounds unreal and absurd, because we are not capable of assuming responsibility for so many Haitians citizens. Strangely enough, it seems that everyone is rejecting the Haitians. Some claim it is for health reasons, others because they practice a different religion, and yet others because there is a cultural gap. I believe that certain things are happening, and these things are not good or advisable. [end recording]

In conclusion, Troncoso said that the people must be made aware of the situation. He added that the people should be informed of the international agreements the country has signed on matters regarding refugees.

Municipal Council Concerned

PA0707043294 Panama City Circuito RPC Television in Spanish 2300 GMT 6 Jul 94

[From the "RPC Television News" newscast]

[Text] The Municipal Council, comprising councilmen and representatives, has expressed concern in light of the possibility that 10,000 Haitian refugees could be arriving in Panama. For this reason, council members presented a request to pass a resolution that would express the feelings of the majority. This was impossible, however, because there was no quorum. Some representatives said the problem is that they need more information.

[Begin Council member Nelly Figueroa recording] What has happened is that we do not have all of the information. We do not really know the whole situation. We do not know who is asking Panama to make this sacrifice. We do not know who is asking Panama for this gesture of human solidarity. We want to get all of the answers before issuing a statement. [end recording]

This issue may be broached again on Tuesday [12 July, as heard] and a decision made at that time.

Article Disagrees With Decision

PA0607163894 Panama City LA PRENSA in Spanish 6 Jul 94 p 14A

[Article by Guillermo Sanchez Borbon, associate director of LA PRENSA, from the "Opinion" page: "The Wrong End of the Stick"]

[Text] The explosion of madness has affected the country's entire media. Panama has agreed to welcome 10,000 Haitians into its territory: 5,000 at Fort Sherman and another 5,000 on San Jose Island. The only thing that comes to my mind is that our government has decided to stem the human tide which the Gulf's currents are sweeping to U.S. coasts by sharing that tide.

A country like ours, lacking in size and resources, oppressed by its own problems, is going to the aid of the world's superpower, whose President cannot make up his mind to do the only thing that could help to resolve the crisis: forcefully oust the thugs in uniform who have terrorized a defenseless population and restore or establish democracy. Immediately thereafter, the United States could implement a multinational plan of accelerated economic development and concurrently a drastic but reasonable demographic policy based on reality and scientific fact, instead of invoking the pale phantom of Onan. Grabbing the wrong end of the stick, however, is something else. Some Haitians are fleeing from maniacal armed homicides (who until a short while ago always received the aggressive support of U.S. governments); however, most of them are fleeing because there is no room for them on their island, which has been deforested and eroded, and also because they have no future in Haiti. If a boldly radical policy, like the one I outlined earlier, is not undertaken, once the people's joy over Aristide's return to power passes, Haiti will continue to overflow with people and its inhabitants will continue to be attracted, as if by a magnet, by the mirage of U.S. abundance. Television will again show us the heartrending spectacle of human beings who destroy their humble homes to use that fragile material to build boats that capsize in the first wind that blows.

Furthermore, from what I have heard, we are not going to offer refuge to our unfortunate brothers from the Caribbean. We are going to allow the gringos to establish concentration camps in our territory. The Haitians will be exchanging the lack of freedom over there for total regimentation over here.

If our fatherland's economic circumstances were different, I would be the first to demand that we offer refuge to a reasonable number of exiles. We must first deal with our own Haitians, however, thousands of neglected fellow Panamanians who live in poverty in either of the two nations into which its economic crisis and social injustice have split Panama.

Daily Points Out Problems

PA0607164494 Panama City EL PANAMA AMERICA in Spanish 6 Jul 94 p 1A

["Panama's Pulse" column]

[Text] **Clarity.** It is desirable that international agreements be plain and clear, that they do not leave room for reasonable doubt. In the face of the terrible crisis besetting Haiti, the Panamanian Government has expressed its willingness to accept 10,000 refugees for up to a year. That is the fundamental thing. Conceptual differences, however, may frustrate the plan.

Complications. The U.S. military bases in Panama are devoted to defending the Panama Canal. They are not, therefore, housing or detention centers for refugees. There can be no doubt on this matter between the two countries.

Position. Humanitarian sentiments with regard to Haiti must not prompt Panama to accept agreements contrary to its national interest. The United States may not receive Haitians on its military bases here, not even on one of them. It is clear that the negotiations among the United Nations, the United States, and Panama on the topic of Haiti will be more complex than expected.

Final Approval Rests With Assembly

PA0607180494 Panama City LA PRENSA in Spanish 6 Jul 94 p 1

["As of Today" editorial column]

[Text] According to a press communique issued by the Presidency, the government "has agreed to cooperate in the sense of authorizing the establishment...of a camp for political refugees in view of the crisis affecting the Republic of Haiti..." For that purpose, the Foreign Ministry and the UN High Commissioner for Refugees will formalize agreements, with the support of the United States. Regardless of how those "agreements" are described, they are international accords that cannot be implemented without the Legislative Assembly's previous approval, as stipulated in our public law. In that sense, Article 3 of the Constitution gives the Legislative Assembly authority to "approve or disapprove international treaties and agreements signed by the executive branch before their ratification." Therefore, it is absolutely necessary to submit the matter to the Legislative Assembly for its consideration and obtain its approval of the pertinent accords or agreements before establishing those refugee camps. If the Legislative Assembly approves those agreements, the president of the Republic will be acting within the law; otherwise, he would be violating the Constitution by surpassing his authority.

Decision Criticized

PA0607194894 Panama City LA ESTRELLA DE PANAMA in Spanish 6 Jul 94 p A4

[Editorial: "The 10,000 Haitians in Panama"; Vice President-elect Tomas Altamirano Duque is president-director of LA ESTRELLA DE PANAMA]

[Text] No Panamanian, regardless of how humanitarian and Christian he may be, has failed to feel justified concern over President Guillermo Endara Galimany's announcement on Monday afternoon authorizing the transfer of a total of 10,000 Haitian refugees to Panama in the coming weeks. We cannot guarantee that this announcement took the people by surprise. The rumor had been circulating, beneath a glimmer of truth, in Panamanian society's circles for the past few months. Certain public servants, however, denied it again and again. The presidential acceptance was announced to U.S. President Bill Clinton over the telephone on Sunday.

As expected, the decision has sparked angry reaction from the Panamanian people. Although it is true that the nation's helpful attitude is a gesture that shows social feelings and pure humanitarianism in view of the desperate situation of the Haitians who are persecuted by an ironclad dictatorship, it is no less evident that Panamanians have been suffering the most devastating social calamities in our history. Loving thy neighbor should begin at home. We understand the agony of the Haitian brothers very well. Their desperation increases dramatically with the UN blockade of the island. Unfortunately, Panamanians do not have the economic resources to solve our own social problems.

We bring this up because we are afraid of noncompliance with the conditions on which Presidents Endara and Clinton might have agreed. This fear can be explained by looking at historical experience with this type of agreement. All kinds of promises are made when agreements are negotiated. But problems arise once the objective is achieved. The passage of time creates a formula of forgetfulness and indifference. Panamanians could cite examples of this historical attitude on the part of U.S. leaders and international and regional organizations.

There are certain political, economic, and social aspects of this new situation—the entry of the 10,000 Haitian refugees into our territory—that cannot be ignored. We see no reason for UN and U.S. leaders to have loaded Panama down with such a large number of refugees. They could have distributed them more evenly. Many countries in the area could have received a specific number of refugees. There is the promise that the refugees will remain at a camp that is to be set up on San Jose Island. There is also the promise that the U.S. Government and the United Nations will guarantee their support. It has also been guaranteed that they will be kept within the limits of that island. It has also been assured that their stay will be temporary and that they will have no contact with Panamanians.

Those promises should reduce the apprehension created by the presence of idle people in our country. But experience has shown us that this is not the case. Historically, Panama has been abused by similar agreements and countless unfulfilled promises. Therefore, we have justified reasons for doubting the reports we are hearing. We fully agree with the position expressed by President-elect Ernesto Perez Balladares, who in the long run will have the greatest responsibility for handling a problem that we have for all intents and purposes been forced to accept. He said the United States should guarantee the Haitians' overall sustenance, their security, and return transportation to Haiti once democracy is restored there, and should be responsible for any damage that Panama may suffer. We must stress that should those agreements not be complied with, as has occurred with many other treaties we have signed with the powerful northern nation, our country does not have the capacity to handle the social needs of 10,000 refugees. In our opinion, the agreement over the telephone does not formally guarantee the attention of all the needs inherent in an adventure like the one proposed by Bill Clinton, and which President Endara has accepted so nonchalantly.

Only a few weeks remain before Endara leaves power. Therefore, we see no moral reason why he should accept such a proposal. In this case, he did not take into consideration the justified concern of Panamanians, who are confronting serious social problems and view the massive presence of Haitians with apprehension. This problem could lead to a dangerous situation for a country like ours, where the unemployment rate is high, basic health requirements are not met, people live in terrible misery, crime is rampant, and there are not enough houses for our own compatriots. Once the knot is untied on the island where they will be installed, situations could result that could certainly create uncertainty and unrest within the Panamanian community. Apparently, due to the hastiness with which the request was made and accepted, the president did not exercise the necessary caution and reason that should always guide his actions.

Businesses Oppose Decision

PA0607214794 Panama City Circuito RPC Television in Spanish 1730 GMT 6 Jul 94

[Report by Alexandra Vallestas from the "Day to Day" newscast]

[Text] The National Council of Private Enterprise, CONEP; the Chamber of Commerce; and the Panamanian Chamber of Tourism have expressed opposition to our nation's receiving 10,000 Haitian refugees. CONEP President Dario Selles said Panama has too many problems to import problems from other countries, specifically from Haiti.

[Begin Selles recording] Panama already has a great number of social problems that unfortunately this government has not been able to resolve. Therefore, assuming the responsibility of receiving 10,000 refugees from any country will only increase the social problems we have in Panama. [end recording]

Meanwhile, Chamber of Commerce President Ricardo Duran said this situation will create economic and social problems in the country.

[Begin Duran recording] In our opinion, receiving these people, creating a center or lodging facilities for them here in Panama, and creating an infrastructure for these people, with a population larger than what exists in many Panamanian towns, will create all sorts of problems in the country's infrastructure. It has been said that the United Nations will cover the expenses and will ensure that these people do not leave the segregated area and enter other parts of Panamanian territory. Nevertheless, this situation definitely has raised many concerns and doubts among the people. [end recording]

The tourism sector believes the measure adopted by the president is worrisome from several points of view.

[Begin Alfonso Jaen recording] The Board of Directors of the Chamber of Tourism met this morning. Some groups voiced their strong opposition to the selection of San Jose Island for this refugee center, a center that we believe should exist only for a short time. If this is a short-term humanitarian measure, we would not view it as a serious problem, but, if the measure is for an indefinite period, we would regard it as a serious problem for the development of tourism in Panama. [end recording]

President Guillermo Endara agreed to receive 10,000 Haitian refugees after talking with U.S. President Bill Clinton. The refugees will be sent to San Jose Island in Las Perlas Archipelago.

Demonstrations Planned for 7 Jul

PA0707012594 Panama City Circuito RPC Television in Spanish 2300 GMT 6 Jul 94

[Report by Vicenta Melania Herrera from the "RPC Television News" newscast]

[Text] Following news of the government's decision to bring Haitian refugees to Panama, the first demonstration against this move has been scheduled for tomorrow. The demonstration against the arrival of the Haitian refugees is planned for midday, Thursday, in front of the Foreign Ministry. This was announced by Astrid de Wolf, representative of San Francisco.

[Begin Wolf recording] We want to show our opposition to the uncoordinated way in which 10,000 Haitian citizens are being brought to our territory. Panamanians are in dire need of jobs, housing, public health, and schools. We have many Panamanians here who have needs similar to those of the Haitians. I cannot recall a time during the crisis in our country when the United States requested asylum in another country for 10,000 Panamanians. [end recording]

Accompanying the San Francisco representative as he issued his call for the people to support the 7 July demonstration were Rogelio Cruz; Roberto Troncoso, president of the Panamanian Human Rights Committee; and Mrs. Dora de Probst, wife of one of the owners of San Jose Island.

Argentina

'Federal March' Participants Arrive in Buenos Aires

PY0607192594 Madrid EFE in Spanish 0555 GMT 6 Jul 94

[Text] Buenos Aires, 6 Jul (EFE)—The vehicles transporting the four columns of workers who are participating in the "Federal (protest) March" against the Argentine Government's political and economic policy arrived in Buenos Aires in the early hours of 6 July.

The demonstrators went to Plaza de Mayo, where the "Federal March" will end with a rally that, according to different estimates by the police and organizers, will gather between 40,000 and 100,000 people from the interior of the country and Greater Buenos Aires.

The "Federal March," which began on 3 July in different parts of the Argentine territory, will conclude with speeches by trade unionists.

Argentine President Carlos Menem stated yesterday evening that "it would be suicidal at this point to change the present economic policy," in opposition to which the protest rally is being staged. Menem went on to say that "the transformation process that this country has undertaken is very well seen throughout the world."

The "Federal March" was organized by the trade unions that oppose the Menem administration and that are grouped together in the Argentine Workers Congress (CTA) and the Movement of Argentine Workers (MTA).

The demonstration originally channeled the social discontent of the northwestern provinces, which are steeped in an economic crisis. Political parties from the opposition, including the Radical Civic Union (UCR) and the Grand Front, a leftist coalition, as well as small- and medium-sized business associations and student associations, however, decided to join the protest rally.

A major organization absent from this demonstration is the historic General Confederation of Labor (CGT), the upper echelons of which are made up of Peronist trade unionists who support President Menem.

A vast area, comprising 500 blocks of the downtown sector of the city of Buenos Aires, has been closed to traffic since the evening of 5 July.

Yesterday evening, Interior Minister Carlos Ruckauf stated "cars will not be allowed to circulate or to park in this area, with the exception of accredited vehicles." Ruckauf apologized to Buenos Aires residents for the inconvenience that this measure will cause, but said that it sought to "guarantee the freedom of expression of those who want to protest against the government." He further stated that "so far, the march has progressd normally and there have been no incidents within the columns."

The interior minister requested citizens' "understanding" with regard to the problems the security operation will cause in Buenos Aires City. The police used sophisticated television equipment for the first time during this march, installing highly sensitive cameras in helicopters.

Federal March Begins; Menem: Protest 'Will Not Achieve Anything'

PY0607202494

[Editorial Report] Buenos Aires Radio Nacional Network in Spanish at 1600 GMT on 6 July, in its regular newscast, carries various reports on the development of the Federal March in Buenos Aires.

In a 4-minute report the announcer says: "Demonstrators participating in the Federal March, which is organized by some state unions and opposition political groups, have been arriving in the capital as of noon today."

The reports says they "are marching downtown to meet at Plaza de Mayo for this afternoon's central meeting," adding that President Carlos Menem "ratified that the Federal March will not achieve anything because the government will not step back from its economic program." The president regretted that "downtown Buenos Aires will be totally paralyzed by demonstrators who must learn that it is more important to work than to organize clearly political marches." He said: "The protest is against Carlos Menem and Domingo Cavallo." He added that the march is "not against the government but against the country."

The reporter quotes Interior Minister Carlos Ruckauf as saying: "No incidents have been registered as of noon today. The minister confirmed, however, that two individuals from the coastal column were arrested by police on the corner of General Paz and Panamericana Streets after it was discovered that they were carrying stones and slingshots in their pickup."

The reporter adds: "More than 15,000 security agents will be assigned to the Plaza de Mayo demonstration. This morning, police reported that the main gathering points are Plaza de Mayo, the Congress, and 9 July Avenue."

Another 3-minute report says: "President Carlos Menem is fulfilling his official agenda at Government House," adding that Secretary Domingo Liotta found him "very calm; we have the impression that the march is organized by a group that seeks to place the opposition in power which is, of course, welcome in a country living in absolute democracy and freedom."

President Menem Views Economy, Integration

PY0607190594 Buenos Aires LA PRENSA in Spanish 5 Jul 94 pp 2, 3

[Interview with President Carlos Menem by Lilian Franco at the presidential office of Government House; date not given]

[Excerpts] [Franco] Why do you believe dissimilar sectors are discontent with the government's policies and thus have joined the Federal March? Is this a bit of a jumble...?

[Menem] Yes, it is basically just a jumble. I believe the March does not seek to express a lack of conformity; I believe it is clearly and totally political. The objective is to begin the 1995 election campaign.

[Franco] Just that?

[Menem] Yes, just that. Those sectors are speculating politically. Let us suppose the talks between the economy minister, to whom I have given precise directives, and the agricultural sectors reach a solution, do you believe Argentine Agrarian Federation President (Humberto Volando) would not participate in the Federal March?

[Franco] Yes he would.

[Menem] Well then...? The Federal March is clearly political.

[Franco] So, what are they pursuing?

[Menem] To a certain extent they seek to mold the election campaign. Even though it is just a jumble, each sector is trying to take the biggest advantage because they are aware of 1995. So, why not say it out loud? They want to attack the peace that reigns over the Argentine Republic within the framework of democracy. I have read the slogans painted on walls and the pamphlets of, let us say, the Free Fatherland, the Workers Party, and the Communist Party calling for another social explosion like those that occurred in Santiago del Estero and Jujuy Provinces, in other words, another Chiapas. They want to disturb the peace. This must be taken into account, especially by those who work, produce, work legitimately, and want to progress.

[Franco] What are the risks?

[Menem] This type of demonstration inevitably leads to violence. These individuals, these leaders who have no good standing within society, want to provoke violence among the people. The march has no other meaning. Is there some type of proposal, or is it just a protest?

[Franco] In principle, is it against the economic plan...

[Menem] Well. The economic plan obtained stability and growth, and allowed Argentina to reinsert itself within the World. It continues to obtain votes...

[Franco] It is said that Menem obtains votes thanks to the economic plan...

[Menem] The economic plan is alive because there is a political leadership...

[Franco] Yes, but the people associate economic achievements with Economy Minister Domingo Cavallo...

[Menem] Let me explain this clearly. It is not Cavallo's economic plan. It is the government's economic plan because the basis of this economic plan, which was perfected by Cavallo, is the product of a proposal that was made by the president of the nation. The entire economic plan, which we announced during the election campaign, is contained in my 1989 address to Congress. We appointed former Economy Minister Miguel Roig, who died recently, and then former Economy Minister Nestor Rapanelli, who was afraid to implement a series of measures demanded by the president and therefore had to resign. Then came Erman Gonzalez...

[Franco] It is said he carried out the most difficult part ...

[Menem] He really did most of the dirty work. Before he accepted the post, I asked him if he had the courage to carry out the task, and he did. Cavallo then arrived to put the finishing touches to everything the president had planned. Cavallo confirms this. I believe it is very good for the people to acknowledge that Cavallo is one of the officials who functions well within the government. I feel content when a minister who I appointed receives the popularity, the applause, and the accolade of the people. It is very welcome.

[Franco] Then, there is no confrontation?

[Menem] There is a certain type of journalism that would like to see confrontation between Cavallo and Menem, but this will not happen.

[Franco] But, Cavallo's personality lends itself to seeing things that way...

[Menem] In such a difficult sector as the economy, I want a man of character, not a lukewarm, cowardly person. I do not want someone who will chicken out at the first backlash.

[Franco] One hypotheses is that if Cavallo goes, the dollar will fly...

[Menem] That is not so. The mechanisms will continue to function. If Cavallo leaves—which can be entirely discarded at this time, but let us suppose he does—we still have legislation, which is not the product of improvisation. The men who surround or are close to the president are circumstantial. The president is also a person who must go when the time comes...

[Franco] When is the reelection? March or April...?

[Menem] It can be anytime between March and May. I cannot determine a date until the Constituent Assembly has concluded. I project ahead of events but if the presidential mandate is not lengthened by 6 months, the elections will have to be held in two rounds. The presidential election will come first, followed by the election for governors. If the presidential mandate is lengthened then the idea of concurrently electing the president and the governors exists. There is already talk that the next president will have a mandate of four and a half years.

Why do it that way? Let us do it now, once and for all, and grant the next president a 4-year mandate.

[Franco] Who will be your running mate? Several names have been mentioned, including Cavallo's...

[Menem] Not Cavallo, because if we are reelected he will continue, and he has also said this, as economy minister.

[Franco] Then, he will not be the minister-coordinator?

[Menem] No, Cavallo is not right for that type of post. If he aspires to more and wants to enter the world of politics... But he has expressed that for the time being he does not want to. If Buenos Aires Province Governor Eduardo Duhalde does not have any chance of being reelected, he could join my team.

[Franco] Regarding the run-off elections, did the negotiators err or was this a concession granted to the Radical Civic Union?

[Menem] It was neither an error nor a concession. It was simply the assurance that the governing party will win again.

[Franco] You are not concerned about a run-off?

[Menem] Not at all.

[Franco] Although there have been no advances in labor reform, Labor and Social Security Minister Armando Caro Figueroa is facing a series of conflicts...

[Menem] The Labor Accidents Law, the Bankruptcy Law—which has hardly anything to do with the labor sector, but it is important—are nearly ready.... Neither Caro Figueroa nor the government are to blame for the conflicts. Blame lies with the private sectors, where all the government has to do is implement the legislation that the involved sectors are demanding. The Labor Flexibility Law has other ways of progressing, including collective labor agreements. The SMATA [Union of Mechanics and Related Automotive Transport Workers] agreement is basically the Labor Flexibility Law incorporated into an agreement.

[Franco] When will we have the Labor Reform Law?

[Menem] Before the end of the year. In either September or October.

[Franco] Do you believe private pension funds are the solution to the pension system?

[Menem] There is an example that has to be taken into account: The white collar workers implemented a similar system which has more than 4,000 pensioners and they have the best of both worlds.

[Franco] It is being said there will be cabinet changes...

[Menem] That is the same old song. For the time being there will be no cabinet changes...

[Franco] What is happening to the social plan?

[Menem] There are programs like the Intensive Labor Program (PIT) which is giving work to a lot of people. There is also unemployment insurance. We are now preparing a 5-year plan that will be very important in a vast public works program, which includes the construction of more than 160,000 houses. A great team is preparing this plan. Aside from what is being said about differences between the government and some governors, we are preparing it together. It will be concluded soon.

[Franco] What does the plan include?

[Menem] Public works, production at the regional level, the necessary technology in the sphere of production, and fundamentally an extensive development in the mining sector.

[Franco] Your government will be five years old on 8 July. What are you expecting to achieve in your last year?

[Menem] Basically what I have just announced. Mainly to maintain stability, convertibility, and provide more security for the people.

[Franco] What is your opinion of the Argentine business sector?

[Menem] I cannot generalize, but I would say that it is working well. There are businessmen who are reconverting their enterprises; they are training personnel... There are others that have remained static, but they are very few. These few either bring themselves up to date and imitate those that have progressed, or they will have to close their establishments. The time when factories closed and the state came to the rescue has now ended.

[Franco] Recently, you were very harsh on the banking sector, which is one of the sectors that has not made readjustments...

[Menem] The Bank of the Nation has done its homework, as have the Mortgage Bank and the official banking sector. It is the private banking sector... The operational costs of the private banking sector are monstrous. It should be 1 percent or half of 1 percent. Instead it stands at 5, 6, even up to 10 percent. This is why the lending rate is so low and the borrowing rate is so high. Who is to blame? The government? This is why I have been very critical, this is why Central Bank Chairman Roque Fernandez has also been very harsh.

[Franco] What can the government do?

[Menem] The less the government intervenes the better. We will continue the message... The message of the Banking Association's open letter was horrendous: Harvard or social justice. What has that got to do with it? It suggests a return to the past: Hemp sandals instead of books.

[Franco] When is a person ethical and when is he not?

[Menem] Ethics is when the codes that are established by the community are observed. Ethical is the person who

carries out his functions within the community to the best of his abilities. For example: It is not ethical for a president to abuse the funds that he administrates. It is not ethical for a president to abandon the normal channels for managing a country. It is not ethical for a businessman not to pay his taxes. The violation not only of current legislation, but also of the customs, is also not ethical. It is not ethical for you journalists to poke your noses into the private lives of individuals—and that is an on-going violation in the country. [passage omitted]

[Franco] What do we do now? NAFTA or Mercosur [Common Market of the South]?

[Menem] Mercosur for the time being. Later NAFTA, and then the entire continent.

[Franco] How will nationalism fare?

[Menem] Nationalism is not about going for something at the national level, it also reaches the regional level. We must not talk in terms of Argentine or U.S. nationalism. We must talk in terms of American nationalism, European, or Asian nationalism... From this concept, we are heading toward global nationalism, which means universal nationalism.

Menem on Military Honor at Armed Forces Dinner

PY0607223294 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0121 GMT 6 Jul 94

[Text] President Carlos Menem gave a speech at tonight's Armed Forces comradeship dinner. During the speech the president reiterated his full support for the military institution, and indirectly referred to the cases of soldier Omar Carrasco and entrepreneur Ricardo Ospital involving Army personnel, which recently have had great impact on the public.

"These cases in no way affect military honor," Menem said, adding that he would be "the first to separate the issues, as these kinds of things are only incidental and should not be used to pass judgment on a glorious institution."

Menem said that everyone understands that these cases of violence "come from a tiny group of people who are trapped in the past, trapped in their own antagonisms, and victims of incurable resentment."

The president emphasized the importance of "the broadest freedom of the press ever known in the Argentine Republic, permitting broad reporting on cases such as those involving soldier Carrasco and entrepreneur Ospital." "It is not the first time these kinds of things have occurred. What is new and commendable is that the people can learn about them without restrictions thanks to the broadest freedom of the press ever known in the Argentine nation," Menem emphasized.

The president also mentioned the presidential pardons that benefited the members of the three military juntas, which were granted "not to do justice to those involved, but to be fair to the armed institution." "This act permits me to continue defending the institution in the only way possible: by supporting the great majority of their members, who put their energies and lives at the service of the fatherland's progress in a show of deep respect for the spirit of San Martin."

The president also referred to the impending abolition of compulsory military service, saying he was "ready to carry out all the necessary actions to transform old military methods and structures." "I have instructed the Defense Ministry to study, with the advice of the Joint General Staff and the three military branch general staffs, the best way to replace the compulsory military service with a professional and voluntary army," the president said.

The new military service will be made up of volunteers "operating with an integral vision, a new scheme, and interpreting the feelings of all Argentines. Besides, the new system will increase the operational efficiency of the military institution," the president said.

Menem said the transition period will be short and will not in any way affect military operative capacity." [no opening quotation marks as received] "I want to reiterate that I feel that the Armed Forces support and understand this decision, one of my administration's most important ones," the president said.

The president concluded by calling on all citizens "to definitively close the breach that at one time separated civilians and military, and to recognize that the Armed Forces are one of the fatherland's basic institutions."

The president also called "on military personnel to continue the process of harmonious integration into society faithfully subordinated to the Constitution."

The president was sitting at the center of the main table. Sitting next to him were Supreme Court President Ricardo Levene, Defense Minister Oscar Camilion, General Mario Dias, joint general staff chief, and the commanders of the three Armed Forces branches: General Martin Balza, Admiral Luis Molina Pico, and Brigadier Juan Paulik. Also present were Interior Minister Carlos Ruckauf, Foreign Minister Guido Di Tella, Education Minister Jorge Rodriguez, Labor Minister Jose Caro Figueroa, and Health Minister Alberto Mazza.

Occupying other tables were Intelligence Secretary Hugo Anzorreguy, Deputy Miguel Angel Toma, Senator Eduardo Vaca, Drug Addiction Secretary Alberto Lestelle, and Environment Secretary Maria Julia Alsaogaray. At the table occupied by Toma and Di Tella, former de facto President Leopoldo Galtieri and former government junta member Santiago Grafigna were also sitting. Albano Harguineguy, interior minister during the military regime, among others, was also sitting at Di Tella's table.

Canada's 'U-Turn' on Cuban Embargo Examined

PY0607230094 Buenos Aires LA PRENSA in Spanish 2 Jul 94 p 8

[Editorial: "Canada Does a U-Turn"]

[Text] Last week, Canada announced that it would lift the suspension of its aid programs to Cuba, imposed in 1978, in order to alleviate the suffering of the Cuban people. Government officials contend that the U.S. embargo on trade with Cuba "is counterproductive" and that the U-turn that Canada intends to take in its policy on Cuba is aimed at fostering "political change on the island." The Canadian foreign minister stated "it is high time we turned the page with regard to the question of Cuba," adding that "the Cold War is over."

Although according to official sources Canada objected to the U.S. embargo on Cuba from the beginning, it had never before made such a decision as this one. The minister of state for Latin America and Africa informed the Cuban Government of the Canadian Government's decision at the beginning of last week. The minister acknowledged, however, that "Canada continues to be concerned about the violations of human rights on the island," while at the same time stating that "we must be more active in our relations with Cuba."

If the turnaround in Canadian policy materializes, Cuba will benefit from emergency aid totaling $360,000 funneled through the World Food Program for children and pregnant women or women who are breast-feeding. It will also receive $720,000 in 1995 through other channels. In justifying Canada's decision, the government official said that "we must be there," or in other words "make our presence felt" within the framework of their problems "to encourage a process of change."

Mexico is no longer alone in the position from which it has not budged since 1961, when the OAS severed relations with the then Cuban Government, which after 33 years remains the same. Now, Canada seems to have forgotten the 1961 OAS vote, which has not lost its validity, even though it implicitly endorsed it in joining the OAS some years later.

Ottawa is making use of an equivocation, which as such is impossible to defend. The U.S. embargo never prevented Cuba from purchasing all kinds of goods, medicines, food, fuel, machinery, etc. in any other country. What is more, the Soviet Union supplied Cuba with whatever it needed for its existence until the Soviet empire suspended the shipments, subsidies, weapons, technical advice, and the consignments of oil it sent to Cuba in exchange for sugar.

In any case, despite being well aware of the reasons Cuba is at present going through an extreme decline, Ottawa will help it, and with that, even though unintentionally or inadvertently, it is strengthening Castro's position.

This situation is extremely odd, or at least difficult to interpret, at a time when Canada's honeymoon with the United States is continuing through NAFTA. Public opinion is generally left in the dark about many diplomatic steps, which the man in the street cannot begin to understand.

Brazil

Amorim Announces U.S. Trade Representative Visit

PY0707004194 Sao Paulo AGENCIA ESTADO in Portuguese 1835 GMT 6 Jul 94

[By Milton F. Da Rocha Filho]

[Text] Sao Paulo, 6 Jul (AE)—U.S. Trade Representative (USTR) Mickey Kantor, who has ministerial rank, is scheduled to visit Brazil in either late July or early August. The date will be set in the next few days. Kantor will come to Brazil to further strengthen bilateral trade ties between the two countries, which are currently at their best level in 20 years. To get an idea of this, all that it needed is to check the latest USTR report, dated 30 June, prior to the start of celebrations marking U.S. Independence Day. The report does not include Brazil on any trouble list.

Early today, Foreign Minister Celso Amorim confirmed to AE [AGENCIA ESTADO] that Kantor will visit Brazil. Amorim noted that the Americans "are beginning to understand our difficulties, and our relations are at their best possible level." Amorim showed satisfaction upon learning that the latest USTR report does not cite Brazil.

Commenting on the improvement in Brazilian-U.S. relations, Amorim said several U.S. missions have visited Brazil, including one led by Vice President Al Gore. Other visits included those of the secretary of agriculture, Treasury Under Secretary Lawrence Summers, Commerce Secretary Ron Brown, and the deputy secretary of commerce, who came to prepare Brown's visit. These visits are interconnected, and show that the Americans are sharpening their focus on relations with Brazil, in an effort to ascertain whether there has been an opening in the Brazilian economy.

To get an idea of who Ron Brown is, it should be noted that when he was visiting Brazil he talked on the phone several times with President Bill Clinton. One of those calls came during a meeting he was holding with members of the Sao Paulo State Federation of Industries (FIESP). The meeting was delayed for several minutes due to President Clinton's call to Brown.

Finance Minister Briefs Congress on Economic Plan

PY0607220094 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 6 Jul 94

[Text] This morning, Finance Minister Rubens Ricupero reported to Congress to answer lawmakers' questions at

a plenary session of the Chamber of Deputies. Ricupero said Brazilians have confidence in the real, and there is no risk of product shortages on the market. Ricupero was invited, at the initiative of PDT [Democratic Labor Party] Deputy for Rio de Janeiro Miro Teixeira, to explain the economic plan to lawmakers.

The minister said the necessary conditions for the stabilization of the economy have been guaranteed, as government accounts are balanced, agricultural production has increased, imports have expanded, and international reserves have grown.

[Begin Ricupero recording] We have a set of factual conditions that permit us to be confident that with the new currency, prices will drop in a very short time. [end recording]

The elimination of the monetary correction is one of the government's targets, the minister said. He added that inflation is a vice that must be fought. For this battle, it is necessary to amend the Constitution and this depends on Congress' help. According to the minister, the new currency has already acquired Brazilians' confidence.

[Begin Ricupero recording] I have talked with people, and I see strong support for and great confidence in the plan. It is not only confidence in the government, in the minister, or in a team; it is confidence in a country. That is, people have faith in their own capacity to change the course of history. [end recording]

Evaluates Real Plan

PY0607213994 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 6 Jul 94

[Text] Finance Minister Rubens Ricupero has assured that prices are dropping and will drop even further. This morning he hosted a press conference that was broadcast over satellite to 10 Brazilian cities. It was a real lesson for a few privileged people who could hear the economic team experts evaluating the first days of the real.

Special Finance Ministry adviser Edmar Bacha said price abuses and the rounding up of figures when switching from cruzeiros to reals will have to be revised.

Economic Policy Secretary Winston Fritsch reported that federal utility rates have been fixed until further notice, and that if there are any abuses in state or municipal utility rates, the federal government will resort to the antitrust law.

Milton Dallari, the special Finance Ministry adviser for prices, said he expects Congress to approve a bill for the conversion of monthly school fees tomorrow. If this does not happen, a provisional measure will be reedited in keeping with the rules set by the Supreme Federal Court.

Central Bank Management Director Carlos Eduardo said measures are being adopted to resolve the lack of real coins and sufficient coins will be circulating within the next few days.

Central Bank President Pedro Malan said controlling the issuance of money is one of the strong factors of the economic plan, which guarantees that there will be no inflation. Malan said the government has one dollar at the Central Bank for every real that is circulating. Once again, Ricupero asked people to abstain from buying now because, as he put it, prices will drop.

Rules Out Price Freeze

PY0607144494 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 6 jul 94

[Text] Finance Minister Rubens Ricupero has once again ruled out the possibility of freezing prices. The best control is that exercised by society itself, which should discourage increases. The government will do its share by orienting consumers.

At the suggestion of Senator Pedro Simon, the government leader in the Senate, a campaign will be set in motion to orient people with regard to price fluctuations.

Measures To Curb Infant Mortality Outlined

PY0707034294 Sao Paulo AGENCIA ESTADO in Portuguese 2147 GMT 6 Jul 94

[Report by Marco Antonio Moreira]

[Excerpts] Brasilia, 6 Jul (AE)—In a speech delivered over national radio and television network, Planning Minister Beni Veras announced tonight that the government will reallocate funds budgeted to the Health Ministry totaling 747 million reals to implement preventive health programs in the northeastern region, with a view to reversing the high infant mortality rate, which has increased considerably this year compared to 1993. The program, Veras said, envisages measures to fight cholera as well as endemic diseases in the region; the promotion of breastfeeding; and the distribution of medicines. [passage omitted]

Veras announced that 160 million reals have already been disbursed for the education, social welfare, and health sectors. These funds will make it possible for government-subsidized day care centers to remain open during weekends so the children can receive a balanced diet without interruption. With this same objective, school lunches will continue to be distributed during the July recess so that the children can receive at home the same diet they get at school.

The Health Ministry, Veras said, will manage most of these funds, and will immediately spend 38 million reals to purchase and distribute medicines and nutritional supplements; 28 million reals on community health programs; 55 million reals to control and fight endemic diseases; and 10 million reals on immunization and mobile health units. [passage omitted]

Senators Simon, Sarney Electoral Roles Examined

PY0707024594 Rio de Janeiro O GLOBO in Portuguese 6 Jul 94 p 2

[From the "Political Outlook" column by Tereza Cruvinel: "Two Special Voters"]

[Text] With regard to the presidential succession process, Senator Pedro Simon [PMDB—Brazilian Democratic Movement Party] is playing the role of what can be described as a privileged observer. His term will not expire for four years; he is not running for any office, and he does not support his party's candidate. While he holds an influential position in the government, he has not committed himself to supporting the government's candidate. He has been charged with supporting Lula, but to all intents and purposes he remains an undecided voter. He is bound to remain undecided a while longer.

Former President Jose Sarney appears to be in a similar situation except for the fact that Sarney unsuccessfully sought the PMDB nomination, and many of his supporters have already endorsed PSDB [Brazilian Social Democracy Party] candidate Fernando Henrique Cardoso. Yet both Simon and Sarney are voters whose support any candidate would like to have.

In Simon's opinion, the implementation of the new currency has polarized the presidential race between Lula and Cardoso. All other candidates are lagging far behind. He believes Leonel Brizola is already in third place, and that PPR [Progressive Renewal Party] candidate Esperidiao Amin will ultimately overtake PMDB candidate Orestes Quercia. He noted that in 1989, Maluf obtained more votes than Ulysses Guimaraes. He openly makes predictions, but does not give any indication that he is going to endorse a candidate any time soon. He claims that any decision now by the PMDB members of Rio Grande do Sul State could affect the candidacy of Antonio Britto, who is leading the gubernatorial race in the state with the support of voters supporting Lula, Brizola, and Cardoso. To make an endorsement now would mean losing votes.

Like Simon, Sarney has also given signs that he plans to remain neutral a while longer. He has already played the ground with Lula, has given freedom of action to his supporters to back Cardoso, but has not given his personal endorsement to any candidate, which is the move that would have an impact on the voters. Ranking congressmen believe that both Sarney and Simon could remain undecided through a runoff election, if this becomes necessary. They are considered to be the only two lawmakers who could play the key role the late Deputy Ulysses Guimaraes used to play. By remaining neutral in the electoral race, they could earn for themselves the role of authoritative counterparts to any government, whether the new president be Cardoso or Lula. Both Sarney and Simon maintain contacts with all political sectors, and these contacts will be essential in 1995 in a political framework in which the new president will be unlikely to have majority support in Congress.

If Sarney and Simon are keeping this in mind, then the PSDB leaders should try to stop anxiously waiting for them to announce their support for Cardoso.

Daily Reviews Landless People's Groups

PY0507225094

[Editorial Report] Sao Paulo FOLHA DE SAO PAULO in Portuguese on 3 July 94 carries in Section 1, page 10, several reports on the activities of landless people's organizations.

A 700-word article by Xico Sa reports that "the organizations of landless, homeless, those without health care, and other sidelined people now have a sort of 'holding' (supervisory board)." The article adds that this organization "is known as the CMP (Popular Movements' Board)."

Sa explains that the organization was created "at the end of last year" and that "30 organizations have already joined it." Sa says the CMP is financed "by the organizations that joined it" and by "foreign institutions." The headquarters of the organization is "on Sebastiao Alves Faria Street (central Sao Paulo)," from which the movement is managed by "seven coordinators."

Sa says that if Workers Party, PT, candidate Luiz Inacio Lula da Silva wins the presidential election, the CMP will be "one of the strongest sources of pressure on Lula," adding that "PT sectors are concerned" about the "expectations" of those living in "pockets of misery in the northeastern region."

The article says the CMP has 25,000 members. It quotes Aparecida Goncalves who, according to Sa, is "one of the seven CMP coordinators," as saying that "under a Lula government we will have more elbow room and opportunity to expand our achievements."

Sa notes that "the objective of the 'holding' is to transform the demands of regional organizations into political pressure." The article states that "the organization's coordinators have confirmed" that the CMP has "links" with "sectors within the Communist Party of Brazil, PC do B; the Brazilian Socialist Party; and the Unified Socialist Workers Party."

Sa says "urban reform is the priority of the CMP," adding that "the movements of ghetto residents and homeless people are in the strongest CMP sector."

A 500-word article by the same reporter on the same page says "the 'Socialist Brazil' faction of the Workers Party" has created "a new organization for occupying land in the country: The Movement for Land, Work, and Freedom."

Sa says the leaders of the movement "are planning to invade sugar mill-owned land in the northeastern region." The reporter notes that "the organization was created following a split within the Landless People's Movement." The article adds that it operates "especially in northeastern states," although it has "organized

groups in Sao Paulo, Minas Gerais, and Parana." Sa says the new movement is coordinated by "lawyer Renato Carvalho, 35, a member of the PT national executive board."

In another 300-word article on the same page, Sa reports that "engineer Bruno Maranhao," one of the leaders of the Movement for Land, Work, and Freedom, "lives in Sao Paulo, from where he heads the 'Socialist Brazil' group." Sa reports that the movement has occupied land "in Pernambuco" and that occupations have affected "the Maranhao family."

A 200-word unattributed report, also on page 10, says the Landless People's Movement, MST, operates "in 19 Brazilian states," that it is "stronger in southern Brazil," and that the movement's "national headquarters are in Sao Paulo."

The report states that most MST members "will support Lula's candidacy," while the movement's budget "is one of the group's more confidential matters." The report quotes MST coordinator Gilmar Mauro as saying "the Sole Workers Center, CUT, the Catholic Church, and some nongovernmental organizations" provide financial aid to the organization.

Another 200-word article by Xico Sa explains that "Father Antonio Luis Marchione, who is known as 'Father Ticao,' leads one the biggest homeless people's organizations." The article says the "Union of Housing Movements, to which 'Ticao belongs,' has some 40 groups in Sao Paulo and is spreading all over the country under the name of the National Housing Union."

Finally, a 100-word unattributed article on the same page describes the network of popular organizations, identifying "the parties, factions, or organizations with predomination within each group." The report lists the following groups and identifies their predominant parties:

"The MST—PT, PC do B, the Catholic Church (land pastoral organization)"
"The Movement for Land Work and Freedom—PC do B (Socialist Brazil faction)"
"The National Housing Union—PT (Socialist faction) and the Church (Pastoral housing organization)"
"The National Housing Movement—PT (Coordination faction)"
"The National Confederation of Residents Associations—PC do B"
"The Union of Housing Movements—PT (Socialist faction) and the Church"
"The Unified Ghetto Movement, MUF—PT"
"The Ghetto Residents' Defense Movement—PT"
"The Homeless People's Movement—PT and the Church (Pastoral Housing Organization)"
"The Slum-Resident Association—PT and the Church (Pastoral Housing Organization)"
"The Street Sufferers' Association—the Church"
"The Movement of Street Children—PT and PC do B"
"The People's Health Movement—PT and PC do B"
"The Gay and Lesbian Movement—PT"
"The Prostitutes' Movement—PT"
"The Disabled People Movement—PT and the Church"

Mercadante Views PT Program's Polemic Issues

94SM0379A Rio de Janeiro MANCHETE in Portuguese 11 Jun 94 pp 42, 43

[Interview with Workers Party, PT, Federal Deputy Aluizio Mercadante by Antonio Carlos Moreira, in Sao Paulo, date not given]

[Text] The candidate whom the voters, so far, would prefer to see don the presidential sash next 1 January, Luis Inacio Lula da Silva, carries under his arm a government platform that sends shivers up the spines of the country's businessmen and international creditors. There are at least 10 commandments that give the PT candidate himself some sleepless nights. After all, causes very dear to that party—like suspension of payments on the foreign debt and the monopoly of the state enterprises—are, at the same time, Lula's Achilles heel. It is by jabbing at these that his campaign opponents hope to defeat him.

"Foreign capitalists treat us better than Brazilian businessmen do," said PT Federal Deputy Aluizio Mercadante, an economist. One of the chief authors of the economic chapters of the platform, Mercadante, 40, performed brilliantly at Lula's side during the *petista* caravan through the United States, two weeks ago. He talked at length with William Rhodes, vice president of Citibank and chief negotiator of the Brazilian debt, and was consulted as the future boss of the economy by hundreds of international creditors. Of course, he denies that he is sure to be appointed to the cabinet. At least Mercadante exercises czar-like control over the money he carries in his pocket. Before coming to his interview with MANCHETE in Sao Paulo, he had lunch at a McDonald's. When handed a tray with a Big Mac and French fries, he complained that the free soft drink he was entitled to as part of a promotion was missing. The manager, who recognized the congressman, was extremely polite but explained that the free drink comes with a different item on the menu.

Aluizio Mercadante spoke for an hour and 15 minutes about the 10 most controversial points in Lula's economic program.

Foreign Debt

[Moreira] The more moderate approach Lula uses in talking to international creditors is not the same line he preaches in Brazil. Which of the discourses will actually be practiced by his administration?

[Mercadante] The PT has always argued against payment of the foreign debt because the way it was set up for us was incompatible with this country's growth. But National Encounter decided this is not a question of principle. Incidentally, it was the Sarney government

that declared a moratorium in 1987, and the Collor government, considered as liberal, maintained the suspension. Another factor is that right now, the country's foreign exchange reserves would allow us to resume negotiations with creditors. Although the government signed a very bad agreement at the end of last year, we are not going to suspend payment of the debt. But we are not hypocrites. We want to revisit that signed agreement with the bankers, openly.

[Moreira] What will the Lula government try to renegotiate?

[Mercadante] The Itamar government agreed to pay $49 billion, but there is another $80 billion yet to be agreed on. To close a deal on the first part, Brazil took $3.2 billion from its reserves. Mexico and Argentina reached agreements without disbursing a cent, and their political situations were more unstable than ours. Russia rejected an agreement similar to the one accepted by the Brazilian government. We will maintain the debt payment, but we want to renegotiate it on bases that do not compromise this country's exchange reserves. But if in the future there were to be a fresh crisis in the country's cash reserves, no government, even if it wants to, will be able to keep up the payments on the foreign debt.

Not Afraid of Foreign Capital

[Moreira] How will the Lula government treat the entry of foreign capital?

[Mercadante] Brazil needs to attract foreign investment. We have to take advantage of the liquidity, i.e., the great volume of cash, available on the international market. It is important that foreign companies and business deals come in, especially those aimed at boosting production.

[Moreira] There would not even be restrictions on foreign investment on the stock markets, which are sometimes speculative?

[Mercadante] The stock exchange is just one of the resources for financing the economy of this country. When shares rise in value, they capitalize companies and finance production. Foreign investments do not pose a risk when there are stable rules in the market.

Jail For Tax Cheats

[Moreira] The PT and its allied parties opposed the constitutional revision. Won't the Lula government need some changes in the Constitution if it wants to manage things better?

[Mercadante] It will need the tax and fiscal reforms. Today, for every *cruzeiro real* the country takes in, there is 1.2 more that escapes. We have to debureaucratize life for business, lighten the burden of various charges and payroll taxes. But the large fortunes must pay extra tax. The large rural landholdings throughout the country pay only $36 million in taxes, an insignificant amount. Once the tax reform is done, we will have to end impunity. Those who cheat must go to jail.

[Moreira] Wouldn't it be a contradiction for the PT to have been part of the bloc against the constitutional revision, and then suggest changes as soon as it takes over the government?

[Mercadante] We were not against changes in the Constitution, but against the way the revision was being conducted. There were more than 17,000 amendments to be considered, but the public had no role. The revision should not be done by legislators who are defendants in the morning and judges of a Constitution in the afternoon.

Divided Land

[Moreira] What will agrarian reform be like under the Lula government?

[Mercadante] Today, half of the people in Brazil live in only nine cities—in urban centers like Sao Paulo, Rio de Janeiro, and Belo Horizonte. If people keep moving from the country to the cities, the cities will become unmanageable. Under our agrarian reform model, we will protect small landowners, and we will guarantee all productive holdings, regardless of size. We are going to concentrate on the unproductive properties so that we can settle 800,000 families on them within five years. We will start with the areas where there is conflict; these involve 50,000 families. This country, however, needs more than agrarian reform. It needs an agricultural policy that develops the inland regions, that is coordinated with agribusiness in order to increase food production.

Minimum Wage

[Moreira] Will the purchasing power of wages recover?

[Mercadante] First we have to see what the situation is at the time of the inauguration. We will not run a demagogic campaign; instead we will talk about the thorough reforms the country needs if it is to end social *apartheid*. Restoration of wages is vital, but it has to be compatible with economic stabilization and the resumption of growth.

[Moreira] Isn't that the same position as taken by other administrations, which said they could not improve wages because the cyclical trend would not permit it? Won't the PT government guarantee a minimum wage, of $100, for example?

[Mercadante] I am not saying we will not improve wages. You asked me to give you a goal, but the PT has not decided on one. The real wage is not its nominal value, but its actual purchasing power. A worker might have a high wage in the initial months, but inflation and the cost of living are going to eat that up. That is why the centerpiece of our platform is attracting domestic and foreign private investments in the production of foods and mass consumption goods, to expand the supply of transportation goods, affordable housing, and education. That is what changes people's living conditions, not how

much they are going to receive in paper money. Both things must be done simultaneously: increasing wages, and changing the production structure.

Fighting Inflation

[Moreira] Some economists see in this kind of proposal that reactivates the economy a way of accelerating inflation....

[Mercadante] It is not necessarily inflationary. On the contrary, a policy of reducing taxes, accompanied by a reduction in profit margins and prices of products, is anti-inflationary. This was done in the auto industry without causing inflation.

[Moreira] That case involved only one sector of the economy.

[Mercadante] But it was a strategic sector. The same thing can be done in other production areas. If the actions are coordinated with measures like tax and fiscal reform, and equilibrium in public finances, the conditions will have been created so that the currency has backing, and that brings with it control over inflation.

State Enterprise Monopolies

[Moreira] Will the Lula government maintain the government's monopoly in sectors like petroleum and telecommunications?

[Mercadante] We cannot give up sectors that are of strategic importance to this country's economy. U.S. petroleum reserves will last only 10 more years; Japan produces only 13 percent of what it consumes. That is why the great powers put so much effort into the Persian Gulf War of 1991—that is where one-third of the world reserves are—but are not much concerned about the conflicts in Bosnia or in Africa.

[Moreira] In the case of Petrobras [Brazilian Petroleum Corporation], for example, isn't there a fear of subjecting it to competition with foreign companies?

[Mercadante] Petrobras is one of the world's most efficient companies. It might lose out to other firms on some items because people compare it without taking unique Brazilian conditions into account. Furthermore, there are oil companies in other countries that are partly owned by the government—Rhodia, and Elf, in France, for example. Ways must be found to make Petrobras and Telebras [Brazilian Telecommunications, Inc.] more competitive on the world market. But we should not end a strategic state monopoly just to make it into a private monopoly.

[Moreira] Will the Lula government file suits against the privatizations that have already occurred?

[Mercadante] That could only be done if there is proof of fraud. In the absence of accusations, the privatizations are legally valid and so will be recognized. Another problem is the price at which some state enterprises were sold, far below the market value. But since they were auctioned in public, the sale is legally valid, even if the government has been a terrible salesman.

Freer Trade

[Moreira] How does the PT platform view the opening of this country to imports?

[Mercadante] When the Collor government promoted a reduction in the import duties, three years ago, they averaged 45 percent, and they fell to 14 percent. The positive side of this is it forces Brazilian companies to become more competitive. No compensatory measures were enacted for Brazilian industry, however, like loans for financing modern machinery. That unfair competition adversely affects domestic production and the level of employment. We must follow the world trend toward opening trade but, like all countries do, set up mechanisms to protect against dumping [preceding word in English].

The *Real* Plan

[Moreira] What kind of scenario has the PT outlined for the economy during the next several months under the *Real* Plan?

[Mercadante] Not all the rules for the final phase of its implantation have been defined. All indications are that the currency will be anchored on the dollar. Brazil has enough reserves of foreign exchange for three or four months. Inflation is likely to fall initially, but the plan is not substantial enough to last very long. Like the Cruzado Plan, it will prove to be an electoral swindle.

Story of the Announced Explosion

[Moreira] You said during your visit to the United States, that next year, when the new president of Brazil is being sworn in, the bomb will explode. What does that mean?

[Mercadante] The *Real* Plan is a delayed-action bomb that will probably explode at the beginning of next year. The government has not carried out a tax reform, and the fiscal adjustment was insufficient. The federal budget item for interest payments on the internal debt has increased by 100 percent. With a fiscal crisis, it will be our $35 billion in reserves that will back the future currency. The exchange rate will probably be frozen for a few months, stimulating imports and inhibiting exports. Result: the surplus in the trade balance will drop. Furthermore, this country is wasting its reserves, now that it has resumed interest payments on the foreign debt. Lastly, rising interest rates on the world market are causing capital to flee the developing countries like Brazil. All this points to a serious situation, a foreign exchange, fiscal, and banking crisis.

[Moreira] How would the Lula government disarm that bomb before it explodes?

[Mercadante] We are very worried. We will try to negotiate the implementation of the third phase of the plan with the Itamar government, so that an economic stabilization policy will be a lasting one. It cannot be allowed to continue until the eve of the inauguration.

[Moreira] So the PT would support some measures that the Itamar government might propose to the Congress?

[Mercadante] We would support a broad tax and fiscal reform to ensure a balanced budget and create a viable anchor that would truly stabilize the economy. Second, we would support a social anchor, i.e., agreements in the sectoral chambers between the government, companies, and workers to guarantee employment, improve income, and reduce the social costs of economic stabilization. That is the only way to prevent a simple dollarization of the economy. Under dollarization, the country loses control over monetary and exchange policy and the sovereignty of its own currency.

Chile

Government Supports OAS/UN-Backed Invasion of Haiti

PY0607194994 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1800 GMT 6 Jul 94

[Text] Today, the Chilean Foreign Ministry reported that Chile will back a military invasion of Haiti if it is supported by the OAS and the UN Security Council. The Foreign Ministry added that Chilean and U.S. officials, headed by U.S. Ambassador Curtis Kamman, had discussed this issue during a high level meeting.

In addition, the Chilean Foreign Ministry stated that this support does not entail the sending of troops to Haiti or the granting of logistical support to any eventual military operations that may be undertaken in Haiti.

A few minutes ago, Chilean Foreign Minister Carlos Figueroa explained the reasons for granting Chilean support to an eventual multilateral action to resolve the Haitian situation:

[Begin Figueroa recording] First, in view of Chile's support for OAS measures and, in particular, for UN Security Council measures. [sentence fragment as heard]. We have expressed our categorical support for these measures. This support entails a multilateral action by both the OAS and United Nations. Second, Chile supports the restoration of democracy in Haiti and, within our means, assistance to help restore democratic institutions in Haiti. [end recording]

'Experts' To Explain Association Proposal to Mercosur Members

PY0607232794 Madrid EFE in Spanish 1601 GMT 6 Jul 94

[Text] Santiago, 6 Jul (EFE)—Chilean Foreign Relations Under Secretary Jose Miguel Insulza confirmed today that a delegation of Chilean experts has left for Argentina, Brazil, and Paraguay to explain the Chilean proposal for an association with Mercosur [Common Market of the South].

Insulza explained that Augusto Bermudez, the Chilean representative before the Latin American Integration Association (ALADI), has been instructed to brief Uruguayan officials on the details of the Chilean proposal which includes the creation of a free trade zone within 10 years.

Insulza also reported that the Mercosur countries decided to postpone their summit until the middle of August at which time, the presidents of the four countries will decide on a Chilean link to Mercosur. The meeting was originally scheduled for 11 July.

Insulza said the Mercosur answer to Chile will only be made after its common external tariff has been decided and the policy for negotiations with other ALADI members has been settled.

Insulza added: "Mercosur will probably give a favorable answer to the Chilean proposal and announce the start of negotiations on 2 August." He indicated that the summit has been postponed to give Chile more time to make informal consultations with each Mercosur member.

He also explained that Uruguayan Foreign Minister Sergio Abreu will arrive on an official visit to Chile in the next few days and that delegations from Argentina and Paraguay are also expected.

Insulza said: "Things should be taken easily," adding that if negotiations are delayed, he trusts the current tariff preferences Chile has with the four Mercosur countries within ALADI, which expire next December, "will be extended." Insulza added: "There is a favorable environment within Mercosur to extend the period for fixing the external tariff."

On 11 June, Chilean Foreign Minister Carlos Figueroa proposed to his Argentine counterpart Guido Di Tella a commercial link with Mercosur, which comprises Argentina, Brazil, Uruguay, and Paraguay.

Colombia

De Greiff Suspects U.S. Behind Release of Drug Tapes

PA0707032894 Paris AFP in Spanish 2229 GMT 6 Jul 94

[Excerpt] Santa Fe de Bogota, 6 Jul (AFP)—Prosecutor General Gustavo de Greiff suspects the disclosure of the recordings that allegedly reveal the Cali cocaine cartel tried to financially infiltrate the Colombian presidential campaigns is a U.S. tactic to discredit the surrender policy designed to bring drug traffickers to justice. Asked by the Colombian edition of CAMBIO 16 if there has been any foreign intervention in Colombia's domestic affairs, the prosecutor general said, as far as he is

concerned, "there are direct and indirect interventionist policies by the United States."

De Greiff added: "I get the impression that all that has happened with the disclosure of the drug tapes is a very well-staged tactic that is taking advantage of circumstances to damage the surrender policy."

The prosecutor general also told CAMBIO 16 that the process of voluntary surrender of Cali cartel drug traffickers, which began in December, has been interrupted "because of international pressure." De Greiff said the United States opposes the surrender policy adopted by outgoing President Cesar Gaviria "because it runs against their policy of repression."

Prosecutor General de Greiff believes that the scandal unleashed by the disclosure of these recordings—recordings that contain phone conversations between a reporter and one of the heads of the Cali cartel on the alleged financing of the presidential campaigns—"is being used to harden the line in the struggle against drug trafficking."

The recordings, along with President-elect Ernesto Samper's campaign ledgers, have been sent to the office of the prosecutor investigating the case. On 19 June, Samper defeated Conservative presidential candidate Andres Pastrana in a runoff. [passage omitted]

Cali Cartel Security Chief Luis Benavides Arrested

PA0707044894 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 7 Jul 94

[From the "Seven O'Clock Newscast"]

[Text] One of the Cali cartel's security chiefs was arrested in the past few hours in northern downtown Cali. Pasto native Luis Mitchell Benavides Medina, 27, also known as Michelin, was a member of the Administrative Department of Security intelligence network in Santa Fe de Bogota. Benavides then moved to the Cali drug traffickers' security network. During his time off, he drove a cab to hide his identity, and he controlled a network of cab drivers who, it is said, worked for the Cali cartel.

Gaviria, Samper Discuss Candidates To Replace De Greiff

PA0707034594 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 7 Jul 94

[From the "Seven O'Clock Newscast"]

[Text] The list of three candidates chosen by President Cesar Gaviria in conjunction with President-elect Ernesto Samper will be ready later tonight [6 July]. The Supreme Court of Justice will decide which of the three will replace Prosecutor General Gustavo de Greiff, who must retire because he has reached the age of compulsory retirement.

Although De Greiff has yet to resign, the halls of Narino Palace are echoing with the names of those who might replace him. Last night and today, President Gaviria and President-elect Samper began to shuffle, via telephone, the three names that will be included on the list that will be sent to the Supreme Court of Justice, which will decide who will replace De Greiff. Samper, who is in Europe, talked to the potential candidates by phone, and Gaviria is expected to meet several of his candidates tonight.

Despite Gaviria and Samper's secrecy, the "Seven O'Clock Newscast" has learned the names included on the list of three candidates. They are: current Justice Minister Andres Gonzalez, who has served as Cundinamarca Department governor and twice as a deputy minister; Alfonso Gomez Mendez, a former prosecutor general, Tolima representative, and ambassador to Austria; and current Attorney General Carlos Gustavo Arrieta, who was dean of Los Andes University Law School for several years.

Sources close to the president and the president-elect say Gaviria favors Andres Gonzalez, Samper favors Alfonso Gomez Mendez, and both of them like Attorney General Arrieta.

Roundup of Economic Developments

PA0507185394

[Editorial Report] The following is a compilation of reports on economic developments monitored through 5 July.

The National Customs and Tax Directorate has charged that none of the country's oil companies, except for the Colombian Petroleum Enterprise, have paid the special or war tax in the past two years. In this year alone, 11 of the country's 27 oil companies owe the government 1.706 billion pesos. (Santa Fe de Bogota EL TIEMPO in Spanish 27 Jun 94 pp 1B, 2B)

Inflation rose 0.9 percent in June, the National Administrative Department of Statistics reported today. The accumulated inflation rate is already 14.68 percent, meaning it is highly unlikely the government will reach its goal of a 19 percent inflation rate for 1994. Health, rent, and clothing costs rose the most. (Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 1 Jul 94)

Ecuador

Government, Electoral Tribunal Set Referendum Date

PA0707041694 Madrid EFE in Spanish 0154 GMT 7 Jul 94

[Text] Quito, 6 Jul (EFE)—Today, the Ecuadoran Government and the Supreme Electoral Tribunal (TSE) agreed to set 28 August as the date for a referendum, the

results of which will most likely lead to a plebiscite aimed at reforming the Constitution after the failure of two earlier attempts.

The formal and substantive legal errors the TSE identified and used to reject the earlier calls to a referendum, which were made in March and June by President Sixto Duran Ballen, were resolved after several joint meetings.

The discrepancies centered on the authority of the unicameral Congress to reform the Constitution based on an initiative by either the deputies or the executive branch, without the need to consult voters, and, at the same time, the president's legal right to consult the population on whatever issue he so desires.

The first of the seven referendum questions could pave the way for a subsequent plebiscite, the date of which has not been set, which would once again question voters with respect to various constitutional changes which have not yet been disclosed.

Questions to be asked on the 28 August referendum officially called today by the TSE are as follows:

1) Would you agree to have Congress, within 100 days after the president of the Republic proposes a new package of constitutional reforms, review and approve or turn down the package en bloc or partially, and if this is not done within this timeframe, the proposal would become ineligible to be submitted to a plebiscite by the president of the Republic?

2) Do you agree that independent citizens who are not affiliated with any political party should be able to participate as candidates in an election? (Current legislation prohibits this.)

3) Should the legislators manage the state budget? (Currently, they do.)

4) Should the legislators approve the state budget? (Currently, they do.)

5) Should reelection exist for all public offices, including the offices of president and deputies? (Current legislation prohibits reelection; 73-year-old Duran Ballen insists he does not intend to run for reelection.)

6) Should legislative elections take place during the first or second round of elections? (Currently Congress is established with the election of deputies during the first round of presidential elections, which allows for a heterogeneous legislative branch.)

7) Do you think the Constitution should allow for the possibility of acquiring a second citizenship without having to lose Ecuadoran nationality? (Current law only allows Ecuadoran nationality.)

Ω Indian, Peasant Issues

94P20941

[Editorial Report]

Land Tenure Conflicts

The Agrarian Development Institute, INDA, said in the Quito daily EL COMERCIO of 4 June that there are currently 6,000 land disputes under way in Ecuador involving 232,100 hectares.

INDA figures show that most of these conflicts take place in the center-west region, comprising the provinces of Guayas, Los Rios, and Galapagos, and in the center-east region, comprising the provinces of Chimborazo, Bolivar, Tungurahua, Cotopaxi, and Pastaza. In the Amazon region, the number of land disputes is "negligible," according to INDA. The organization believes that the main causes of conflicts over land are linked to strong demographic pressures in some areas, underutilization of land, and lack of legal titles to lands. Related causes include low productivity due to soil exhaustion, inappropriate technology, and inability of farmers to obtain credit.

President Visits Cacha Indians

Quito EL COMERCIO of 11 June reported that President Sixto Duran-Ballen, along with the ministers of public works and social welfare and the director of the Emergency Social Investment Fund , FISE, visited Cacha, in Riobamba Province, to reiterate support for the Shyri and Puruha Indian communities. The president praised the work of his recently appointed National Secretary of Indian Affairs, Luis Felipe Duchicela, who represents the two communities and is "king" of Cacha. Various development programs for the region were announced, including the construction of a tourist and handicraft center, the asphalting of the Yaruquies-Cacha highway, potable water projects, and a program to supply agricultural and construction tools to the communities. The 11 development agreements signed in Cacha totaled 690 million sucres; 2,160 sucres equal $1.00).

Cotopaxi Indian Land Survey

The results of a survey carried out in Cotopaxi Province in 1993 by the Cotopaxi Indian Movemement, MIC, to determine efficiency of land use and agricultural production among Indian small landholders were reported in the Quito HOY of 29 May. Cotopaxi Province was chosen because it is typical of other highland provinces in Ecuador. According to HOY, this is the first time an Indian organization has conducted a survey of this type and magnitude not only in Ecuador but in Latin America, which corroborates "the increasing ability of Indian organizations to engage in agrarian and political debates." The survey was financed by Austrian and Swiss aid agencies and UNICEF, and given technical support by Development and Self-Management, DYA. Approximately 200 survey takers visited 13,853 Indian families residing on 47,739 hectares in the cantons of Latacunga, Pujili, Saquisili, and Salcedo, an area representing 32 percent of Cotopaxi Province. These families represent over 50 percent of the total population of the province. The rest of Cotopaxi's inhabitants, 10,000

families, own 105,000 hectares and comprise non-Indian small landholders as well as medium and large landholders.

The study revealed that of the 47,739 hectares surveyed, 89 percent is owned, 2 percent is rented, 5 percent "shared," and 4 percent is communal. Indians use 60 percent of their lands for agriculture, 12 percent is for grazing, and 28 percent lies fallow. Only 11 percent of the cultivated area is irrigated and 35 percent fertilized. Credits from private banks and state agencies benefit only 7 percent of the farmers. Only 14 percent of them have received training in agricultural techniques.

DYA researchers analyzed the data and deduced that Indian farmers contribute significantly to the production of food crops consumed nationally despite policies favoring export crops. Furthermore, despite assumptions to the contrary, Indians use their small plots efficiently although they are plagued by limited resources. Crop yields were revealed to be superior to the national average for barley and broad beans, and close to the national average for potatoes, onions, and corn. Indian use of pasture land was also considered to be more efficient than large cattle ranchers, who utilize large tracts of land with low yields. Although the Indians own less than 10 percent of the cattle in the province, they raise large numbers of sheep and pigs.

Thus, DYA analysts concluded that Indian farmers are more justified in their demands and concerns "than what the state and public would like to believe." They stressed that Indian farmers need a development strategy to help keep their small landholdings viable and prevent mass exodus to the city.

Indian Land Productivity

A commentary by Diego Araujo Sanchez in Quito HOY of 13 June criticized government's failure to take Indian concerns into consideration when formulating its policies. He also questioned assumptions by certain economic observers that Indian lands are low in productivity. Presenting the canton of Guamote as an example, he pointed out that productivity in this 100,000-hectare canton rose during the same period—1975 to 1994—that the number of hectares owned by Indians increased from 25,000 to 96,000. The canton has jumped from fifth to second place in the region in commercialization of food crops; forested areas increased from 700 hectares to 4,000; and, in the high plateaus, the number of livestock has increased from 500 to 10,000. The commentator decried that these figures and others indicating economic progress among Indian communities are considered irrelevant to government policymakers and called on the president to acknowledge their existence.

Basic Human Needs

A National Institute of Statistics and Census, INEC, chart, published in Quito HOY of 26 May, revealed disparities in the satisfaction of basic human needs between Ecuador's urban and rural population. The chart showed that as of 1990, basic needs were met for 57 percent of Ecuador's urban population of 5.345 million, while only 12.4 percent of its rural population of 4.302 million had its basic needs met. Availability of housing, water supply, and sanitation, as well as overcrowding, were taken into account. The accompanying article commented on these disparities and warned that "Ecuador has not yet learned a lesson from its southern neighbor [Peru]. A repressed Indian population, deprived of hope and opportunities, is fertile ground for terrorism and social instability."

Peasant Women

The Inter-American Commission of Women, CECIM, held an inter-Andean teleconference in Colombia entitled "The Politics of Andean Women Food Producers." Quito EL COMERCIO of 10 June reported that Mercedes Jimenez Vega, Ecuador's representative to the conference, revealed that about 51 percent of the rural women work in the agricultural sector, a sector in which 91 percent of families live in poverty. Therefore, over 800,000 peasant women live in poverty despite the fact that they work over 16 hours per day and contribute significantly to the irrigation, harvesting, packing, transportation, and marketing of basic food crops. However, most of their labor is nonremunerative and only 31 percent of peasant women receive training in agricultural techniques, compared with 60 percent of men.

The Ecuadoran representative explained that employment statistics do not take into account the diversity of women's work, classifying it as "housework," and thus placing women in the "economically inactive sector." Furthermore, the current agrarian program has not acknowledged the "extremely important" role of peasant women in agricultural production and in the country's economic process. According to her, women not only suffer sexual, but also social and racial discrimination, and she added that government agrarian policies should not only take macroeconomic issues into consideration, but also emphasize social problems.

Roundup of Economic Developments

PA0507191694

[Editorial Report] The following is a compilation of reports on economic developments monitored through 5 July.

Juan Jose Illingworth, director of the National Institute of Statistics and Census, INEC, announced on Thursday that the national inflation rate rose from 1.38 percent in May to 1.52 percent in June, mostly due to the 37 percent increase in the price of newspapers. The INEC chief added that accumulated consumer price index was 15 percent for the first half of the year. The country lost 6.780 billion sucres, approximately $3.1 million, as a result of protests by Indians from 13 to 21 June against the new agrarian law. (Paris AFP in Spanish 2000 GMT 30 Jun 94)

Ecuador will not suspend overseas coffee sales even though Brazil has decided to suspend coffee exports while studying the harm caused by the frosts reported since Monday in three states in that country. Ecuador's coffee exports rose 42 percent during the first quarter of this year, reaching a total of $12.9 million. (Madrid EFE in Spanish 1719 GMT 1 Jul 94)

Peru

'Terrorists' Arrested in Front of U.S. Embassy

PY0607131494 Madrid EFE in Spanish 0414 GMT 6 Jul 94

[Text] Lima, 5 Jul (EFE)—Lima Channel 4 reported today that the Peruvian police arrested two alleged terrorists approximately 100 meters from the downtown Lima hotel where visiting Bolivian President President Gonzalo Sanchez de Lozada is staying.

The sources added that the arrest took place precisely when the Bolivian president was arriving at the Sheraton Hotel shortly after he arrived in Lima on a three-day official visit.

The alleged terrorists were riding a motorcycle when they were intercepted by the police in front of the U.S. Embassy, located on an avenue running parallel to the street where the hotel is located. The sources stated that two other unidentified persons, who were apparently associated with the detainees, were able to escape.

Colombian, Peruvian Military Leaders Begin Talks

PY0707035194 Lima Global de Television Network in Spanish 0130 GMT 7 Jul 94

[Text] This morning, the military leaders of Colombia and Peru held the first round of talks to strengthen relations between the two countries and to prepare important documents on drug trafficking and terrorism.

The first round of talks, to be held before the arrival of Colombian President Cesar Gaviria on 11 July, will deal mainly with the installation of radars. In this regard, General Nicolas de Bari Hermoza, chairman of the Armed Forces Joint Command, said he is confident that the recent visit by the U.S. under secretary of defense was the first step toward the resumption of U.S. cooperation. Regarding the struggle against subversion, Gen. Hermoza said no terrorist will be left free.

[Begin Hermoza recording] You already know my position. What I can guarantee the Peruvian people, above all, is that we are willing, as we were from the beginning of this struggle, which is part of President Alberto Fujimori's strategy, to put an end to subversion. The people can rest assured that no terrorist will be left free; we will capture all of them to put them under the jurisdiction of the courts. [end recording]

Political Violence Statistics for April 1994

94WR0177A Lima REPORTE ESPECIAL/DESCO in Spanish Apr 94 pp 4-5

[DESCO Special Report No. 36: "Political Violence in Peru Today," issued by Peru's Center for Development Studies and Promotion, DESCO]

[Text] The figures representing the level of political violence, especially in terms of deaths resulting from such violence, rose in April with respect to the three preceding months. In April, there were 55 bombings and criminal attempts on human life and 84 deaths resulting from them.

Compared with March, during which there were 42 bombings and criminal attacks, subversive actions rose approximately 25 percent in April. Deaths, totaling 17 in March, rose 500 percent in April.

Lima no longer occupies the center stage of political violence. In April, the principal scene of this current of events shifted toward the interior of the country, mainly owing to "Aries" raids in the Selva region, and the rather large-scale subversive actions by the MRTA [Tupac Amaru Revolutionary Movement] in the center of the country.

Numbers of attacks in April 1994, by regions, were [per table p 5]: Lima, nine; Centro, 14; Norte, four; Selva, 17; Sur, four; Principal, five; Norte Medio, one; and Sur Medio, one. Total 55.

April 1994 terrorist attacks as percentages of total, by regions, were [per graph p 4]: Lima, 16 percent; Centro, 25 percent; Norte, 7 percent; Selva, 31 percent; Sur, 7 percent; Principal, 9 percent; Norte Medio, 2 percent; Sur Medio, 2 percent.

As a result of military actions in Alto Huallaga, the Selva region moved into first place in terms of criminal attacks, with 17 attacks (31 percent), 11 of which were encounters between the forces of order and subversive groups, according to official reports concerning the Aries actions. Nine of these encounters occurred in the province of Leoncio Prado (zone of the raids), one in Padre Abad, and the latest in the province of Bellavista.

In second place in this listing is the Centro region with 12 subversive actions (23 percent). Shining Path and MRTA perpetrated the most significant of these acts.

In Chanchamayo, on 21 April, the MRTA ambushed a truck carrying civilians and military personnel. The day before, it had intercepted and burned vehicles. Similar actions took place in Satipo. Shining Path, for its part, again massacred tenant farmers in areas inhabited by the Ashaninkas, in the Monterrico annex, province of Satipo.

In April, Lima occupied third place in the listing, with nine attacks (17 percent). Shining Path again committed selective assassinations in the slum quarters of the capital.

Fourth place as regards criminal attacks was occupied by the region of Principal, with five attacks (9 percent), three of which were Shining Path raids in the province of Lucanas. The other attacks took place in Huamanga.

Tied in fifth place were the regions of Norte and Sur with four attacks (7 percent) each. In Corongo, one act of sabotage was committed and a bank was robbed. In the province of Santa, unrest was fomented and propaganda distributed. In the Sur region, acts of sabotage were perpetrated.

Last place in the listing was also a tie, in this case between the Norte Medio and Sur Medio regions, with one attack (2 percent) each.

Numbers of deaths resulting from terrorist attacks in April 1994, by regions and classifications, were [per table p 5]:

Lima: FFPP [National Police Forces], one; civilians, four. Regional total five.

Centro: FFAA [Armed Forces], four; civilians, 38; subversives, two. Regional total 44.

Selva: Civilians, 10; subversives, 19. Regional total 29.

Principal: Civilians, six. Regional total 6.

Totals by classifications: FFAA, four; FFPP, one; civilians, 58; subversives, 21.

Total deaths: 84.

Death tolls in April 1994, as percentages of total, by regions, were [per graph p 5]: Lima, 6 percent; Centro, 52 percent; Selva, 35 percent; Principal, 7 percent.

As regards deaths resulting from terrorist attacks, the Centro region topped the list with 44 persons (52 percent) killed, including 38 civilians, four military personnel, and two alleged subversives. These figures represent the result of actions by both Shining Path and MRTA. In Satipo, in the Monterrico annex, Shining Path massacred 18 tenant farmers. In another action, in which a truck carrying military personnel was ambushed, the MRTA machine-gnnned 15 civilians and three soldiers to death.

The region of Selva occupied second place, with 29 persons killed (35 percent), 19 of whom were alleged subversives, and 10 were civilians. This level of killings is largely the result of Aries activities. According to the official report, these were Shining Path members who were killed in the fighting. However, eight of the 10 civilians were bodies found in the zone of Cayumba in Leoncio Prado.

The region of Principal occupied third place, with six persons assassinated (7 percent), all of them civilians. One political authority and other persons were assassinated in two raids in Lucanas.

Fourth place was occupied by Lima, with five victims (6 percent), including four civilians and a member of the National Police. Two of the civilians were popular leaders in Vitarte and San Juan de Lurigancho.

Venezuela

Foreign Exchange Suspended Until 11 Jul

PA0707004294 Caracas Union Radio Network in Spanish 2200 GMT 6 Jul 94

[Report by Zayra Perreira and Vicente Briceno from the "Union Radio News" newscast]

[Text] According to a government announcement, the Central Bank of Venezuela [BCV] has ordered the three-day suspension of currency exchange transactions in the country.

During a meeting today at the BCV offices, it was announced that no exchange transactions will take place between 6-8 July. Currency exchange transactions will resume normal operations on Monday, 11 July, after the BCV decides on the guidelines that will regulate exchange transactions.

While a new currency exchange agreement is being finalized, Agreement No. 1 dated March 1989 will remain in effect.

The media sought the private sector's opinion on the currency exchange restrictions established by Decree No. 256 dated 5 July and announced by Finance Minister Julio Sosa Rodriguez. However, the directors of Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industry], Fedeindustrias [Federation of Industries], and Consecomercio [National Council of Commerce and Services] declined to meet with members of the media.

The currency exchange restrictions proposal announced Wednesday by the Council of Ministers and which will be approved next Monday at a special cabinet meeting mandates up to eight years imprisonment for currency exchange crimes. This announcement was made by Guillermo Alvarez Bajares, director of the Central Information Office [OCI], during an explanation of the issues discussed at the ministers' meeting.

Alvarez Bajares said the proposal includes penalties for all people involved in currency exchange crimes, an issue which will continue to be reviewed by the government until the Council of Ministers issues a final decision next week. With the approval of this law, the executive branch will be able to confront possible irregularities that may develop with the implementation of the recently adopted currency exchange system.

With respect to the responsibilities of the new board that will supervise the new exchange system and the way in which currency purchases will be regulated, Guillermo Alvarez Bajares announced that President Caldera will appoint at any moment the members of the board that will be responsible for this. The board's first duty will be to establish mechanisms and guidelines that will regulate these operations.

[Begin Alvarez recording] In any case, it is worthwhile to reaffirm once again that there will be no problems in meeting the everyday demands for dollars throughout the country. The BCV has sufficient resources to comfortably meet normal demands and not just special demands related to commerce, industry, and imports, but also those stemming from demands from the community, such as drafts for students studying overseas and travel expenses. Obviously, all of these demands must be within reason. Therefore, what we are trying to prevent in this case is the mass export of capital, such as happened on other occasions when.... [end recording]

Meanwhile, the OCI director stated that the Development Ministry already has the price control list that will regulate goods with respect to the price of the U.S. dollar. The list of goods will most likely be disclosed Wednesday.

Likewise, he indicated that the Council of Ministers also approved partial reforms to the Insurance and Reinsurance Bill, allowing foreign capital to be used in our country. The reforms also include operational, administrative, and financial autonomy of the Insurance Superintendency.

[Paris AFP in Spanish at 1923 GMT on 6 July transmits a related 300-word, Caracas-dateline report that President Rafael Caldera today swore in the new Financial Emergency Board that will be responsible for controlling banking activity in Venezuela. According to AFP, "The Financial Emergency Board will comprise Finance Minister Julio Sosa Rodriguez; Central Bank President Arturo Casas; Norys Aguirre, president of the Deposit Guarantee and Banking Protection Fund (Fogade); Banking Superintendent Tesalio Cardenas; and private sector representatives Enrique Sanchez, Hugo Romero, and Alonso Velasquez."]

Lawmakers Assail Handling of Exchange Situation

PA0707004794 Caracas Union Radio Network in Spanish 2200 GMT 6 Jul 94

[Report by Cecilia Cayones from the "Union Radio News" newscast; passages within quotation marks recorded]

[Text] Most of the country's parliamentarians believe that the executive branch's delay in reopening the foreign exchange market is unforgivable. This has been the general feeling we got after conducting a poll at the National Congress. Obviously, the ruling National Convergence party does not share this view. Democratic Action Deputy Omar Barboza agrees there should be a single exchange control, but he also believes that the government should do this promptly.

[Barboza] "I believe the government's delay in announcing the type of exchange control it will implement is having a negative impact on the nation's economy. Apparently, for the next 15 [as heard] days we will not have access to foreign exchange, and no business can be conducted. We believe that the government must become aware of what this represents and speed up the work to clear up the uncertainty prevailing on this issue."

Meanwhile, Social Christian Party Deputy Gustavo Tarre Briceno said:

[Tarre] "We do not know when the exchange market will open. The government's hesitancy has resulted in an inexcusable delay. Never before in Venezuela's history, or in the history of the world, has such a situation occurred. The exchange problem began before 24 June and we thought that the long weekend—the 24 June weekend—would be used to implement an exchange control mechanism.

"Well, from one national holiday to another we reached 5 July and the government has yet to draft an agreement to be presented to the Central Bank. We thought that in a few hours we would have a differential exchange system. We thought the issue had been studied, and now we see that there were last-minute changes and no study has been made to implement the decision adopted by the government. As a result of all this, we do not know if the exchange market will open again this week.

"This hesitancy is serious. It proves a lack of seriousness and (?a poor attitude) on the part of the government, and the Venezuelan people have every right to complain."

Radical Cause Party Deputy Jorge Roy also commented on the situation:

[Roy] "We believe in exchange control, but not a single exchange control, because we would never know the real value of the dollar on the market. We believe we should have a flexible dollar that would diminish the gap between the fixed and parallel dollar."

However, Senator Juan Jose Caldera said that National Convergence believes that the delay is justifiable.

[Caldera] "This is a complicated situation, and this is why there is a delay. There are some technical difficulties in implementing this measure. The finance minister explained that the delay is at the Central Bank. Even though the Central Bank has its highly trained personnel, they have encountered some technical problems that kept them from reopening the exchange market today."

Meanwhile, Movement Toward Socialist Deputy Segundo Melendez said that the government must clear up this situation as soon as possible.

[Melendez] "Hesitation creates uncertainty. This is not good."

Defense Minister Assures No Armed Forces Unrest

PA0707015594 Caracas Union Radio Network in Spanish 2200 GMT 6 Jul 94

[Report by Vincente Briceno from the "Union Radio News" newscast]

[Text] Defense Minister General Rafael Angel Montero Revette has reiterated that there is no unrest within the core of the Armed Forces. In fact, the opposite is true: Work is going on as usual and there are no problems. Even though the defense minister said that the Directorate of Military Intelligence is studying information regarding an alleged subversive plot, he refrained from providing details about the investigations. He was asked to speak frankly about the wave of rumors being heard around the country to ensure that the people are informed. The minister's only response was to call on the people to ignore the rumors because there is no danger of a coup d'etat.

[Begin Montero recording] We are conducting business as usual. You can forget about all those rumors. There are rumors of hoarding, and we are working on this. The people can forget the rumors of bank destabilization; the banks have been stabilized. We are continuing our work. The government knows what it is doing and has the situation under control. There are no problems. What we must try to do is work with a positive attitude. We must look on the positive side, forget the rumors, and not be pessimistic. We must work always with a positive attitude. [end recording]

The defense minister said the five men who had been arrested and were being held at the DISIP [Directorate of Intelligence and Prevention Services] have been released. They were summoned to testify on the alleged subversive plot. Gen. Montero also said that 10 rural laboratories used to process drugs were dismantled during a joint operation conducted by the Army and the National Police in the Perija mountain range in Zulia State.

Supreme Court Appoints Military Court Members

94P20955A Caracas EL DIARIO DE CARACAS in Spanish 9 Jun 94 p 8

[Article by Edgar Lopez]

[Text] The Supreme Court of Justice has appointed the new members of the Court-Martial, a body that from now on will be headed by Army Brigadier General Juan Manuel Bogado Velasquez. The highest military judicial body is also made up of Navy Captain Freddy Rivas Pacheco, also named spokesman; Air Force Colonel Jose Sulbaran Sanchez; National Guard Colonel Pablo Escalante Troconis; and Army Colonel Hector Armando Parra Medina.

According to the Court's appointments, the alternates are Army Colonel Isbel Tortolero Guedez, Air Force Colonel Silvino Bustillos Quintana, National Guard Colonel Luis Sifontes Gonzalez, Army Colonel Marco Porras Andrade, Navy Captain Roget Colmenares Salazar, Air Force Colonel Nerio Caceres Hernandez, National Guard Colonel Luis Otero Medrano, Army Colonel Norberto Villalobos Fuenmayor, Army Colonel Ramon Enrique Moreno Natera, and Navy Captain Francisco Ortega Jugo.

On the list of candidates that Defense Minister Rafael Angel Montero Revette submitted to the consideration of the Supreme Court of Justice, Bogado Velasquez and Rivas Pacheco appeared in first and second place, Sulbaran Sanchez in seventh, Escalante Troconis in fourth, and Parra Medina in fifth. Brig. Gen. Bogado Velasquez is currently the chief military prosecutor and will have to be replaced by an officer of the same rank who is also a lawyer.

It was also planned that yesterday the Supreme Court of Justice would choose three of the new magistrates of the Judges Council, for which there are more than 50 candidates, but this matter was postponed until next week.

The country's highest court also has yet to appoint the members of the Superior Court for the Protection of Public Property. The president of this court resigned and the Supreme Court recently accepted his resignation.

Legislature Extends Sessions To Study Reforms

PA0707020494 Caracas Union Radio Network in Spanish 2200 GMT 6 Jul 94

[Report by Cecilia Callone from the "Union Radio News" newcast]

[Text] At a joint session, the legislative chambers have agreed to begin studying constitutional reforms, based on a report drafted by the then Senator Rafael Caldera.

Carmelo Lauria, president of the Chamber of Deputies, noted that the discussion of the reforms will begin in the Senate on a date yet to be established. He also said that in his opinion there is sufficient political willingness to engage in discussing the reforms.

[Begin Lauria recording] The reforms are treated just as laws. We have extended our sessions until 31 August. If by that date there is pending business, we can extend the sessions until 2 October. The second period of regular sessions begins on 2 October. I personally believe there is sufficient political willingness to work on the reforms to enable us to submit the reforms to a referendum in

December of this year. Why? Because we have progressed in many areas. We have the bicameral draft, debates in the Chamber of Deputies, debates in the Senate, and the opinions that have been voiced by all sectors of society. [end recording]

Deputy Lauria added that it was also agreed to extend the period of sessions until 31 August and that members of the committees were appointed.

Roundup of Economic Developments

PA0507185894

[Editorial Report] The following is a compilation of reports on economic developments monitored through 5 July.

A three-month survey by the Investigaciones Gaither firm shows that the opinion of Caracas residents on the country's economic situation has gone from moderately positive in April to strongly negative in June. The firm polled 400 people at different socioeconomic levels between April and 20 June. In April, 69 percent of those interviewed preferred to keep their money in a Venezuelan bank. In June, this figure dropped to 36 percent. In the first part of the survey, 43 percent said their income was enough to meet their families' needs. But in June, only 22 percent agreed with this statement. The results also showed that people in Caracas see few differences between the economic policies of Carlos Andres Perez and Rafael Caldera: 33 percent see "little" difference, 36 percent see "no" difference, and 28 percent see a lot of difference. Of those polled, 66 percent believe the business sector is the one most favored by President Caldera, 22 percent believe he "is trying to help the people more," and 12 percent said "they did not know." (Caracas EL NACIONAL in Spanish 28 Jun 94 p E2)

Environment Minister Roberto Perez Lecuna has praised the Japanese Government's donation of 150 million bolivares worth of equipment for the experimental station on Lake Valencia, which was inaugurated on 25 June. The equipment will help improve the quality of the lake's water. (Caracas EL UNIVERSAL in Spanish 29 Jun 94 Section 2 p 18)

According to Pedro Carmona, president of Chemical and Petrochemical Industries, Industrias Quimicas y Petroquimicas, control measures established by the government will delay foreign investments because transactions will be slower. He said the government controls should last no longer than six months, otherwise inflation will get worse. Carmona said "controls should be established over the capital that created the financial crisis and not over other enterprises." (Caracas Union Radio Network in Spanish 1100 GMT 1 Jul 94)

The Venezuelan Central Bank reported that the consumer price index was 9 percent in June, bringing the inflation rate to 29.4 percent in the first six months of the year. The inflation rate was 11.6 percent higher than in the same period in 1993. (Paris AFP in Spanish 1340 GMT 2 Jul 94)

In the first half of 1994, Venezuelan oil revenues reached $4.869 billion, thanks to higher international prices. In this period, the Venezuelan Petroleum Corporation exported an average of 2.135 million barrels a day at $12.60 a barrel. (Hamburg DPA in Spanish 1[illegible]3 GMT 2 Jul 94)